

**FEDERAL FISCAL YEAR 2020  
REPORT ON THE REVIEW OF  
SOUTH CAROLINA COMMISSION FOR  
THE BLIND  
VOCATIONAL REHABILITATION  
AND  
SUPPORTED EMPLOYMENT PROGRAMS**



**U.S. Department of Education  
Office of Special Education and  
Rehabilitative Services  
Rehabilitation Services Administration**

**May 6, 2021**

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# **SECTION 1: THE SCOPE OF THE REVIEW**

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## **A. Background**

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under Section 106 of the Rehabilitation Act subject to the performance accountability provisions described in Section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under Title VI of the Rehabilitation Act.

In Federal fiscal year (FFY) 2020, RSA conducted a focused off-site review of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the South Carolina Commission for the Blind (SCCB). RSA—

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities, including those with significant and most significant disabilities; and
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
  - Performance of the VR and Supported Employment programs; and
  - Financial management of the VR and Supported Employment programs.

The nature, scope, and focus of this review and the process by which RSA carried out its monitoring activities from September 2, 2020 through October 19, 2020, was defined by information, documents, and data submitted by SCCB, as well as technical assistance requests from the VR agency.

## **B. Review Team Participants**

Members of the RSA review team included Christyne Cavataio, Zera Hoosier, and Suzanne Mitchell (VR Unit); Joseph Doney and Andrea Hall (Technical Assistance Unit); Arseni Popov and David Steele (Fiscal Unit); and Andrew Kerns (Data Collection and Analysis Unit). Although not all team members participated in all aspects of the off-site review, each contributed to the gathering and analysis of information, along with the development of this report.

## **C. Acknowledgements**

RSA wishes to express appreciation to the representatives of SCCB for the cooperation and assistance extended throughout the review process. RSA also appreciates the participation of

others, such as the SCCB Board of Commissioners, the Client Assistance Program, advocates, and other stakeholders in the review process.

## **SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS**

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### **A. Purpose**

Through this focus area, RSA assessed programmatic performance leading to the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program through an analysis of VR program data, policies and internal controls, the VR process, and service delivery. The analysis below, along with any accompanying findings and corrective actions, is based, in part, on a review of the programmatic data contained in Appendix A of this report. The data used in the analysis are those collected and reported by the VR agency.

### **B. Analysis of the Performance of the VR Program**

RSA's analysis of SCCB's performance of the VR program incorporates a review of data reported by SCCB on the Case Service Report (RSA-911) for program years (PYs) 2017, 2018, and 2019, as well as the discussion and review of internal controls and policies. A summary and analysis of performance data related to the VR process, VR services, quality of employment outcomes, and pre-employment transition services is presented below in addition to a discussion of potential factors influencing program performance, including how SCCB uses data to inform program performance and management of the VR and Supported Employment programs.

### **Performance Data Summary and Analysis**

The information presented below represents a summary of relevant data related to the performance of SCCB. In the course of monitoring and the review of data tables, SCCB acknowledged that some data reported were questionable and inaccurate. Such inaccuracies, if substantial, can influence the perception rather than the actual performance of the VR agency. Furthermore, the report of inaccurate data by a VR agency effectively influences the representation of national performance of the VR program as well as the State's performance on the WIOA performance accountability measures.

### **The VR Process**

**Resources:** Appendix A—Tables 1, 3, 4, and 5

#### *Application and Eligibility*

In accordance with Title 43, Chapter 25 of the South Carolina Code of Laws, the State of South Carolina created SCCB as an independent commission serving individuals with blindness or

severe visual disability as defined in Section 43-25-20. "Blindness" and "severe visual disability" are the criteria for acceptance for services for persons who qualify.

(1) "Blindness" is defined as that level of central visual acuity, 20/200 or less in the better eye with correcting glasses, or a disqualifying field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than twenty degrees and which is sufficient to incapacitate him for self-support, or an eighty per cent loss of visual efficiency resulting from visual impairment in more than one function of the eye, including visual acuity for distance and near, visual fields, ocular, mobility, and other ocular functions and disturbances.

(2) "Severe visual disability" is defined as any progressive pathological condition of the eye or eyes supported by acceptable eye examination, which in the opinion of the examiner may or will result in legal blindness within twenty-four months.

In discussions with the RSA review team, SCCB reported that eye professionals are its major source of referrals, and the agency has a 15-day standard turnaround from referral to application. From PY 2017 through PY 2019, the number of applicants for the VR program dropped from 385 individuals to 335 individuals, which the VR agency attributed to a reduction in referrals. Across all three program years, a significant number of applicants exited prior to eligibility determination or after being determined ineligible (61 individuals in PY 2017, 73 individuals in PY 2018, and 57 in PY 2019). A total of 48 individuals were determined ineligible in PYs 2017 and 2018, however, there was no report of trial work experiences. SCCB attributed this to miscoding but also indicated that in a few instances, trial work experiences may not have been provided. The examination of data related to reason for exit also indicated potential inaccuracies in coding when viewed in coordination with the exit data.

SCCB noted another potential error in the coding of primary disability type, which showed nearly half of individuals served had "other visual impairments," suggesting that individuals with legal blindness may have been miscoded as "other visual impairments," or that nearly half of individuals served by SCCB are those who meet the definition of "severe visual disability" in accordance with Section 43-25-20. Without a service record review, RSA was unable to determine if all eligible individuals served by the VR program met the criteria set out in the South Carolina Code of Laws and whether service records contained the supporting documentation.

In PY 2017, 340 individuals were determined eligible for services, decreasing to 276 individuals in PY 2019. Of those determined eligible during PYs 2017, 2018, and 2019, there was a decrease in the number of eligible individuals with an individualized plan for employment (IPE) who received no services from 7 individuals in PY 2017 to 1 individual in PY 2019. Of those determined eligible during the program years under review, the number of participants (those with an IPE and VR services provided) decreased from 306 participants in PY 2017, increased slightly in PY 2018 to 321 individuals, and significantly decreased in PY 2019 to 246 individuals. SCCB attributed the decline in the number of participants with an IPE and VR services provided from PY 2017 to PY 2019 to a lack of engagement. SCCB reported an increase in VR counselor vacancies resulted in caseloads remaining inactive for extended periods of time with no action or communication with participants.

## *Attrition*

According to data reported by SCCB, a significant number and percentage of individuals were exiting at application, prior to eligibility determination or trial work experiences, and after eligibility but prior to the development of an IPE during the program years under review. Of the 231 individuals who exited the VR program in PY 2017, 76 individuals (32.9 percent) exited from various stages of the VR process prior to the development of an IPE. In PY 2018, 73 of 280 individuals (26.1 percent) also exited prior to the development of an IPE. In PY 2019, 77 of 261 individuals (29.5 percent) exited prior to the development of an IPE. Factoring out the number who exited as applicants, In PYs 2017, 2018, and 2019, 37 of 231 individuals (16.0 percent), 26 of 280 individuals (9.3 percent), and 20 of 261 individuals (7.7 percent) respectively exited after eligibility but prior to a signed IPE. As previously mentioned, a total of 48 individuals were determined ineligible in PYs 2017 and 2018, however, there was no report of trial work experiences.

Of those individuals who exited the VR program in the period under review, a significant number of individuals with disabilities exited the VR program after an IPE without an employment outcome. In PYs 2017, 2018, and 2019, 62 individuals (26.8 percent), 115 individuals (41.1 percent), and 101 individuals (38.7 percent) respectively exited after an IPE without an employment outcome.

Overall, in PYs 2017, 2018, and 2019, 160 individuals (69.3 percent), 214 individuals (76.4 percent), and 178 individuals (68.2 percent) respectively exited as applicants or eligible individuals during the VR process. The large number of individuals exiting as applicants prior to eligibility determination in addition to those individuals who exited as applicants after being determined ineligible for VR services may be indicative of individuals who do not meet the definitions of “blindness” or “severe visual disability,” as well as those who do not meet the eligibility requirements for the VR program. As previously noted, level of engagement of individuals during the VR process may also play a role in SCCB’s experienced level of attrition. An examination of the data reported by SCCB for the reasons for exit (Table 5) seems to bear out the VR agency’s concerns around engagement of individuals throughout the VR process with a high percentage of exit reasons being “unable to locate” and “no longer interested in receiving services or further services.” SCCB shared that some applicants are encouraged by organizations of the blind to specify their intention to obtain competitive integrated employment outcomes in order to receive certain VR services when, in reality, they do not intend to go to work. This may also be a factor in the number of individuals determined eligible who exit the VR program after an IPE without employment.

SCCB communicated that it had adopted some practices to decrease attrition from the VR process, including efforts such as increased communication with consumers and the development of virtual workshops, particularly during the COVID-19 pandemic to keep consumers engaged. Additionally, SCCB has taken steps to break down siloed programs to ensure that individuals seeking services are referred to the appropriate programs to meet their needs. SCCB reported that it was implementing strategies and outreach efforts to improve public perception of the program as well.

## **VR Services**

**Resources:** Appendix—Tables 1, 6, and 7.

During the review and discussion of SCCB's data related to training, career and other VR services, the VR agency acknowledged that the accuracy of data, especially for job-readiness training, was compromised by inconsistent reporting. Furthermore, SCCB indicated that all services provided through virtual consumer workshops were not being reflected in participants' IPEs.

SCCB experienced a downward trend in the provision of postsecondary training at the graduate, undergraduate, and community college levels over the period under review. In PY 2017, 57 of 927 participants received the following training services: graduate degree training (1.2 percent), bachelor's degree training (3.9 percent), and junior or community college training (1.1 percent). In PY 2018, 65 of 1,116 participants received the following training services: graduate degree training (0.7 percent), bachelor's degree training (4.3 percent), and junior or community college training (0.8 percent). In PY 2019, 62 of 1,182 participants received the following training services: graduate degree training (0.6 percent), bachelor's degree training (3.9 percent), and junior or community college training (0.8 percent). Overall, the percentage of participants decreased from 6.1 percent in PY 2017 to 5.2 percent in PY 2019, with graduate degree training decreasing the most significantly. Demonstrating a similar downward trend, SCCB reported 24 participants (2.6 percent), 15 participants (1.3 percent), and 8 participants (0.7 percent) who received occupational or vocational training in PYs 2017, 2018, and 2019, respectively.

Despite the number of participants engaged in postsecondary training, as well as the number of participants who may have been eligible for other measurable skill gains types, SCCB reported only 11 measurable skill gains earned by 11 participants in PY 2017, eight measurable skill gains earned by eight participants in PY 2018, and 71 measurable skill gains earned by 70 participants in PY 2019. It is noteworthy that only one secondary diploma was reported in PY 2017, zero in PY 2018, and only 17 in PY 2019. SCCB reported that it was unable to compel participants to provide supporting documentation for those in secondary education, whereas participants in postsecondary education and training were required to provide transcripts and report cards prior to receiving continuing tuition assistance. Given the importance of reporting on measurable skill gains, SCCB acknowledged the need to obtain supporting documentation and has recently provided training to VR counselors. To ensure accurate reporting of measurable skill gains, systematic review of service records is warranted.

With respect to other training services, SCCB reported very minimal on-the-job training, one participant receiving Randolph-Sheppard entrepreneurial training, and no apprenticeship training, job-readiness training, or customized training. Given SCCB's pre-apprenticeship training initiative and contact with Apprenticeship Carolina, the VR agency expects to see future growth in opportunities for its participants. As mentioned previously, SCCB indicated that it had not accurately reported job-readiness training although it had been provided. The most frequently provided training was disability-related skills training; however, it also decreased across the review period from 211 participants in PY 2017 to 160 participants in PY 2019. SCCB attributed this decline, in part, to the closure of the recently renamed Ellen Beech Mack Rehabilitation Center (EBMRC) to the Ellen Beech Mack Rehabilitation Center for Employment and Independence (EBMRCEI) during the COVID-19 pandemic and to a shortage of full-time Orientation and Mobility (O&M) staff.



During the course of the review, SCCB communicated that it was reviewing the cost of services such as hearing aids and out-of-state orientation and adjustment training. Cost-containment measures were being considered for such services and VR counselors were being required to have all cost services approved at progressively higher levels based upon the costs of those services before they could be authorized. For example, all services that met or exceeded \$5000 were forward to the SCCB Commissioner for review and approval. While it is understandable that management needs information to ensure that costs are allowable, necessary, and reasonable, the development and implementation of policies and internal controls could provide more flexibility for VR counselors in authorizing services and reduce undue delays in the provision of and payment for services. RSA emphasized the need to balance the cost of services with an individual's informed choice in the selection of service providers, particularly if desired services may be available solely from out-of-state providers.

Aside from VR counseling and guidance and information and referral services, the most frequently provided service during PYs 2017, 2018, and 2019 was diagnosis and treatment of impairment with 329 participants (35.5 percent), 377 participants (33.8 percent), and 284 participants (24.0 percent) respectively receiving this service. Given the number of individuals exiting prior to achieving an employment outcome, SCCB may need to consider whether it may be more appropriate to refer applicants who are primarily interested in receiving medical treatment to its Prevention of Blindness program rather than the VR program. Additionally, SCCB may wish to consider the use of its Prevention of Blindness program to meet the treatment needs of participants of the VR program, dependent upon the State's adequate funding of the Prevention of Blindness program.

In terms of other services provided to participants, approximately one-fourth of participants received rehabilitation technology services during PYs 2017, 2018, and 2019. Approximately 11 percent of participants received transportation services during the three program years under review. It was unclear whether transportation services included weekly travel to and from the EBMRCEI or included transportation to access other services.

SCCB communicated inaccuracies in the reporting of services throughout the review process, attributing this to staff turnover and deficits in internal controls and quality assurance. The VR agency indicated that it was initiating steps to ensure accuracy in reporting, however, it did not provide any written procedures or policies to substantiate these efforts. Because SCCB provides most services in-house, other than medical or postsecondary education services, it is important for staff to understand how to properly code services.

## **Quality of Employment Outcomes**

**Resources:** Appendix A—Tables 1, 4, 5, 6, 8, 9, and 10

Although employment rate is no longer a required indicator under the Rehabilitation Act, it is useful to a VR agency for monitoring its performance. SCCB's employment rate was 53.4 percent in PY 2017, with 71 participants exiting the program with competitive integrated employment. The employment rate fell to 36.7 percent in PY 2018, with 66 participants exiting with competitive integrated employment and increased to 45.1 percent in PY 2019, with 83 participants exiting with competitive integrated employment. Of the participants who achieved

competitive integrated employment each year between PY 2017 and PY 2019, SCCB reported only one participant exiting each year with a supported employment outcome.

In PYs 2017, 2018, and 2019, the median hourly earnings for participants who achieved competitive integrated employment were \$11.00, \$12.10, and \$13.00 respectively, which exceeded the State and Federal minimum wage of \$7.25 per hour. By way of comparison, however, the median hourly wage for all occupations in South Carolina reported in May 2019, was \$16.68. Additionally, the median hours worked per week indicated full-time employment at 40 hours in PY 2017, 36.5 hours in PY 2018, and 40 hours in PY 2019. Approximately one-fourth to one-third of individuals over the three program years reviewed received employer provided medical insurance. The majority of employment outcomes achieved were in occupations paying less than the median wage in South Carolina. However, over the three-year period, the highest paying occupations included: education, training and library occupations; legal occupations; computer and mathematics occupations; management occupations; and business and financial operations occupations, which suggests that postsecondary training and education are contributing factors to higher paying jobs and career advancement opportunities leading to improved performance in the quality of employment outcomes.

In PY 2017, the most frequently reported Standard Occupational Classification (SOC) codes reported by SCCB for participants who achieved competitive integrated employment included customer service representatives (5 participants), business operations specialists (3 participants), heavy and tractor-trailer truck drivers (3 participants), and janitors and cleaners (3 participants). In PY 2018, the most frequently reported SOC codes were office and administrative support workers (3 participants), and customer service representatives (2 participants). In PY 2019, the most frequently reported SOC codes were customer service representatives (4 participants), and office and administrative support workers (2 participants).

RSA identified some areas that may have affected SCCB's performance and the quality of its outcomes including postsecondary education policies, which limit the number of semesters/quarters typically funded (allowing for exceptions) and a decrease in training services overall during the program years reviewed. SCCB's data does not reflect the use of apprenticeships or customized training or employment, which can lead to quality employment outcomes. Although SCCB described its BRIDGE (Building Readiness for Individualized Development of Gainful Employment) program as a pre-apprenticeship training program as providing a career path for employer-based apprenticeships or direct placement, at the time of the review it had not formalized direct links to apprenticeship opportunities. SCCB reported, however, that in 2020, BRIDGE was invited to be a pilot program with Apprenticeship Carolina, which will allow graduates to compete for apprenticeship opportunities in the customer service field, including consideration as candidates for BlueCross BlueShield's Customer Service Associate Apprenticeship program or as a direct hire.

## **Pre-Employment Transition Services**

**Resources:** Appendix A—Tables 11 and 12

SCCB reported 1,020 students with disabilities in PY 2017, 1,146 in PY 2018, and 1,118 in PY 2019. Of the students with disabilities reported by SCCB, 748 students (73.3 percent) received

pre-employment transition services in PY 2017, 115 students (10.0 percent) in PY 2018, and 64 students (5.7 percent) in PY 2019. SCCB attributed the sharp decline from PY 2017 to PY 2019 to discontinuing the provision of pre-employment transition services to students with disabilities who were not potentially eligible or did not meet the eligibility criteria for services from SCCB and who, in fact, had disabilities other than severe visual disability or blindness. In addition, SCCB reported it did not correctly account for all students with disabilities served because not all were identified or captured in the VR agency's case management system and thus not correctly reported to RSA.

SCCB reported only one student with a disability as having an individualized education program (IEP) in PY 2017 and PY 2018 and no students with disabilities receiving accommodations under Section 504. In PY 2019 three students with disabilities were reported as having an IEP and none with a 504 accommodation. The lack of documented IEP or 504 information, the acknowledgement that not all students were accurately tracked or reported in the agency's case management system or through other means, along with the provision of pre-employment transition services to students with disabilities who should not have been served by SCCB renders the reported data as inaccurate and invalid.

SCCB reported 1,454 pre-employment transition services provided in PY 2017, 215 pre-employment transition services provided in PY 2018, and 249 pre-employment transition services provided in PY 2019. As previously noted, SCCB unallowably provided services to students with disabilities in PY 2017 who were not potentially eligible or eligible for its services. Consistently, the greatest percentage of services included instruction in self-advocacy and workplace readiness training. SCCB provided the five required pre-employment transition services to eligible and potentially eligible students with disabilities ages 14 through 21 primarily through a contractual partnership between SCCB, Able South Carolina, the National Federation of the Blind of South Carolina, Walton Options for Independent Living, and South Carolina's public school system entitled CareerBOOST (Building Occupational Opportunities for Students in Transition). SCCB also provided pre-employment transition services to students with disabilities in-house through three transition VR counselors.

SCCB reported that CareerBOOST was initially created as a two-year pilot project to serve groups or individual students with disabilities around the State in collaboration with local schools and in local community settings. In school settings, the programs were offered in special education classrooms to students with a range of disabilities. If a visually impaired student participated, SCCB paid for the program. Between October 2016 and September 2017, SCCB reported it spent \$753,990 to provide the program to 896 students. In September 2018, SCCB halted CareerBOOST because SCCB was serving students with disabilities other than those with severe visual disability or blindness and thus, those who were ineligible for VR services through SCCB. Subsequently, SCCB has continued to contract with its previous partners.

In addition to providing its Vocational Rehabilitation Policy and Procedure Manual dated effective January 1, 2018, which included policies related to the provision of pre-employment transition services, SCCB also provided RSA with revised draft policies for the provision of pre-employment transition services as well as draft documents for staff that outlined internal controls and procedures for tracking services. However, SCCB stated these draft policies and procedures have not been approved or implemented due to insufficient membership of the SCCB Board of

Commissioners resulting in an inability to vote on policies. Thus, SCCB was operating its pre-employment transition services based on outdated policies and procedures. The agency provided copies of guidance communications emailed to staff that clarified how consumers were tracked in its case management system, addressing internal controls mechanism deficiencies. However, SCCB lacked a regular quality assurance mechanism that provided feedback on the staff's use of these guidance materials.

## **Factors Influencing Performance**

### **Use of Data to Inform Performance and Management**

In RSA's review of performance data with SCCB and through discussions with the VR agency it appeared that the VR agency's use of data to inform performance and management of the VR program was underutilized. However, SCCB has begun to acknowledge the value of analyzing its data and ensuring its accuracy and validity to assist in measuring its progress toward improved performance and management of the VR program. The examination of data elements in several of the data tables raised questions among SCCB staff during the course of the review about the validity and accuracy of the data and generated discussions about strategies to ensure that data are being coded and reported appropriately.

Data-driven decisions related to program management and performance appear to have been a minimal part of the past culture of SCCB, but the VR agency indicated that it is exploring the possibility of using data dashboards and its case management system to generate reports to assist senior leadership and managers to drive needed changes to improve performance. During the monitoring activities, SCCB shared that it was implementing several initiatives such as investment of allotment funds for the EBMRCI, the implementation of policies and practices to manage cost efficiencies in the provision of services, organizational restructuring to build capacity, and the removal of program silos, to name a few. RSA was unable to fully determine the degree to which data were used as a tool in the development of these initiatives or management decisions.

To demonstrate the value of exploring the use of data in its decision-making, The RSA team requested both programmatic and fiscal trend data related to the operation and performance of the EBMRCI. SCCB management staff indicated that they found the information interesting and enlightening, if not somewhat surprising. RSA suggested that SCCB conduct a cost-benefit analysis to inform decisions as it proceeds with the restructuring of the orientation and adjustment services and other functional uses of the EBMRCI, given the high operational costs and the disparity between successful and unsuccessful outcomes of individuals served by the facility.

SCCB referenced the development and implementation of policies and management practices to produce cost efficiencies in the provision of services, organizational restructuring to build capacity, and the removal of program silos to ensure that any individual seeking services could be referred to the appropriate program (e.g., VR program, Prevention of Blindness, Independent Living Services for Older Individuals Who Are Blind, Low Vision Clinic). RSA explored with SCCB data related to attrition at various stages of the VR process, reasons for exit, VR services provided, and the degree to which participants were exiting with successful employment

outcomes. Such data can be used to analyze and identify policies and practices which may either contribute to or impede improvements in the performance of the VR program and point to needs within the VR agency. For example, SCCB attributed the decline in the number of participants with an IPE and VR services provided from PY 2017 to PY 2019 to a lack of engagement with those participants due to an increase in VR counselor turnover. SCCB reported that the caseloads of counselors who left the agency were left inactive for extended periods of time with no action or communication with individuals or participants. At the time of the monitoring review, SCCB had 16 VR counselor positions, three of which were transition counselors, to cover the seven geographical regions of the State. Without a sufficient number of frontline VR counselors and staff, the ability to effectively assess the individual needs and expectations of SCCB applicants in order to determine eligibility for the VR program or make appropriate referrals to other programs offered by SCCB, is limited, undermining the Commissioner's commitment to be consumer-responsive.

SCCB recounted instances in which individuals were referred to the VR agency for needed services who were prompted to say they were interested in achieving competitive integrated employment in order to be determined eligible for services. An analysis of individuals who exited the program after receiving services without employment and the types of services they received could prove helpful to SCCB in determining alternative strategies such as motivational counseling, work-based learning experiences, benefits counseling, etc. to increase the expectation of employment; or referral to more appropriate programs such as the Prevention of Blindness program if the primary service provided is surgical or medical in nature or to the Older Blind Program if employment is not the intended outcome.

Case service record data can provide a lens into the level of engagement with VR program applicants and participants throughout the VR process. SCCB experienced high levels of attrition at various points in the VR process, which may point to the need for more formalized training of VR counselors and service record reviews. SCCB reported that it only recently began to address inconsistencies in the performance and scope of service record reviews and acknowledged that without a specific process, including a standard review instrument and timeline for such reviews, the VR agency could not adequately assess the level of participant engagement, identify areas of non-compliance, ensure the existence of necessary supporting documentation, validate accuracy of data reported, or identify specific training needs of VR staff. The addition of SCCB's quality assurance director, supported by other management and consultant staff should help SCCB to focus on the development of internal control processes and policies, as well as training to assist VR counselors to increase the quality of participant engagement, timeliness in the delivery of services and the accuracy of data.

### **Internal Controls and Policies**

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditure of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and

mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

The review team identified that SCCB has fundamental deficits in its internal controls and policies. Specifically, SCCB has been functioning without a fully constituted Board of Commissioners for at least ten years, which has presented significant barriers and challenges to the VR agency's management and implementation of the Federal VR and Supported Employment programs. Although SCCB provided RSA copies of some of its policies and procedures that were in a state of draft at the outset and through the completion of this review, staff were operating primarily from policies and procedures outlined in the Vocational Rehabilitation Policy and Procedures Manual dated effective January 1, 2018, which SCCB acknowledged needed revisions. This policy and procedure manual is comprised of 24 chapters that outline, among other things, the provision of VR services at various stages in the VR process including policies for the EBMRCCEL. SCCB shared revised draft policies for the provision of pre-employment transition services and draft documents that outlined internal controls and procedures for tracking those services. No additional documentation or draft copies were provided related to any other internal controls for the provision of VR services.

The processes for data validation and reviews by quality assurance staff were manual processes complicated by inconsistent implementation and communication. SCCB noted throughout the review that some of its manual processes and lack of updated policies resulted in some inaccuracies in its data tracking methods. For example, as previously noted, misunderstandings surrounding appropriate referrals for individuals identified as potentially eligible for the provision of pre-employment transition services resulted in data inaccuracies and unallowable expenditures for services to students with disabilities served by the agency who could not be determined as potentially eligible for services. Other identified data anomalies indicated a lack of quality assurance practices or policies that would ensure accurate data reporting of measurable skill gains (i.e., the significant increase in percentages reported for measurable skill gains reported from PY 2017 at 5.0% to 27.5% in PY 2019). This is indicative of the lack of policies or procedures to help VR counselors know what, when and how to document and report when a measurable skill gain is earned.

### **VR Counselor Staffing and Training**

Balancing staffing to meet VR agency needs and inadequate or insufficient staff training are factors that can negatively influence performance and continuous improvement. SCCB reported a total of 16 VR counselors; including three transition counselor positions to cover the entire State. Caseload sizes varied significantly among the nine offices operating out of the three district offices, and Transition Counselors were responsible for carrying transition caseloads, including coordinating pre-employment transition activities, covering all local educational agencies. In addition, SCCB reported increased turnover in these frontline positions over the past five years, adding to the strain of providing timely services and engagement leading to the achievement of employment outcomes. Furthermore, SCCB lacks a designated training coordinator and sufficient training resources needed to ensure that staff at all levels understand the statutory and regulatory requirements of the VR program and the unique services and knowledge required to serve individuals who are blind, as well as policies to guide the

implementation of services and the requirements of the VR program. SCCB indicated that its most recent training was on measurable skill gains provided by external sources and training modules from George Washington University.

Strategic staffing and training, particularly when recruiting new staff and balancing the need for a sufficient number of VR counselors experienced in the field of blindness, can significantly influence performance and continuous improvement. Similarly, the alignment of responsibilities of staff with identified areas of expertise is strategically important when filling vacancies or creating new positions or making reassignments based upon identified needs or deficiencies. SCCB has developed management positions to address some of its identified deficiencies (e.g., fiscal staff), however, the VR agency would benefit from addressing and assessing the overall staffing and training needs of frontline workers such as VR counselors and transition counselors.

### **C. Technical Assistance and Recommendations**

The RSA team provided significant technical assistance to SCCB over the course of the review in several topical areas. Based upon the requests of the VR agency and the performance analysis, RSA shared recommendations to assist SCCB in achieving continuous improvement in its program performance. Throughout the process, SCCB was not only receptive, but appreciative of the information shared by the RSA team. Outlined below is a summary of technical assistance highlights along with recommendations and suggestions for SCCB to implement to improve performance.

RSA clarified statutory and regulatory requirements in several areas including, but not limited to, independent commissions, trial work experiences and eligibility determination, informed choice, post-employment services, supported employment, written policies, and WIOA performance measures. In addition, RSA shared technical assistance and proposed policy considerations for SCCB as it develops internal controls and revises its policies, including, but not limited to, specific areas such as postsecondary training and education and career advancement, the VR process, service record reviews, tracking and reporting of data, and pre-employment transition services.

Following are recommendations resulting from RSA's observations and discussions with SCCB during the review process.

RSA recommends that SCCB—

- Implement a strategic planning process that incorporates the Comprehensive Statewide Needs Assessment (CSNA) and a financial and programmatic risk analysis that results in goal setting and related agency priorities that meet the service needs of consumers.
- Evaluate the current and potential use of the Ellen Beech Mack Rehabilitation Center for Employment and Independence, including a cost-benefit analysis, analysis of performance outcomes and program restructuring.
- Assess the agency's case management system to determine any needed modules or updates, and create a user-friendly desk reference tool and ongoing training and reviews for staff to ensure accuracy of reporting and compliance;

- Develop or revise MOUs and agreements with external partners/agencies (e.g., State educational agency agreement, workforce development partners, centers for independent living, community rehabilitation providers, employment networks, Department of Disabilities and Special Needs) to improve coordination and collaboration including renegotiating the MOU with South Carolina Vocational Rehabilitation Department to allow case sharing, which will benefit both VR participants and the VR agencies;
- Explore implementing Social Security Administration reimbursement to increase funding for VR services;
- Implement strategies to improve coordination and appropriate referrals among SCCB programs (e.g., Prevention of Blindness, Business Enterprises Program, Independent Living Services for Older Individuals Who Are Blind program) and communication and collaboration among VR program staff, the Business Services Team, and EBMRCI;
- Develop strategies to ensure that consumers and applicants understand the purpose, expectations, and goal of the VR program, which is to achieve and maximize quality competitive integrated employment, and to ensure that staff make appropriate assessments and referrals to other SCCB programs for individuals who are not seeking competitive integrated employment such as the Prevention of Blindness program;
- Ensure that all comparable benefits and consumer financial participation are considered for the provision of medical and surgical services, as well as other applicable services;
- Develop a human resource allocation plan that includes recruitment, vacancy coverage, retention, and a caseload distribution plan for VR counselors;
- Develop and implement a staff training plan at all levels that delineates internal staff responsibilities, strengthens internal communication and partnerships, and includes staff input in the training planning process; and
- Develop training programs/tracks that enhance skills, job specific knowledge, requirements under WIOA, and training on agency policies and procedures, with a focus on the agency vision, mission, and values.

#### **D. Findings and Corrective Actions**

RSA's review of the performance of SCCB in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

##### **Finding 2.1 SCCB Not a Consumer-Controlled Independent Commission**

**Issue:** Whether the SCCB satisfies the consumer-controlled requirement of Section 101(a)(21)(A)(i) of the Rehabilitation Act and 34 C.F.R. § 361.16(a)(1), as well as the assurance in the VR services portion of the Combined State Plan designating the State agency as an independent commission.

**Requirement:** Section 101(a)(21)(A) of the Rehabilitation Act and 34 C.F.R. § 361.16(a) require the State Plan to provide that the: (1) designated State agency is an independent commission that satisfies the requirements of Section 101(a)(21)(A)(i) of the Rehabilitation Act and 34 C.F.R. § 361.16(a)(1); or (2) State has established a State Rehabilitation Council that satisfies the requirements of Section 105 of the Rehabilitation Act and the designated State unit satisfies the requirements of Section 101(a)(21)(A)(ii) of the Rehabilitation Act and 34 C.F.R. § 361.16(a)(2). In the Assurances section of the VR services portion of the approved PY 2020-2023 Combined



State Plan, SCCB assured it was an independent commission that satisfies the requirements of Section 101(a)(21)(A)(i) of the Rehabilitation Act and 34 C.F.R. § 361.16(a)(1).

As an independent commission, SCCB assures it—

- Is responsible under State law for operating, or overseeing the operation of the VR program in the State;
- Is consumer-controlled by individuals –
  - With physical and mental disabilities that substantially limit major life activities; and
  - Who represent individuals with a broad range of disabilities, unless the designated State unit under the direction of the independent commission is the State agency that serves individuals who are blind;
- Includes family members, advocates, or other representatives of individuals with mental impairments; and
- Undertakes the functions set forth at Section 105(c)(4) of the Rehabilitation Act, which is to conduct a review and analysis of the effectiveness of and consumer satisfaction with the functions performed by the designated State agency, the VR services provided, and employment outcomes achieved by eligible individuals (Section 101(a)(21)(A)(i) of the Rehabilitation Act).

SCCB was created as an independent commission pursuant to South Carolina Code of Laws (SC Code) § 43-25-10. The Commission consists of seven members, three of whom must meet the legal definition of blindness set forth in SC Code § 43-25-20. Members of the Commission are appointed by the Governor, with the advice and consent of the Senate, for four-year terms and until their successors are appointed. Vacancies must be filled in the manner of the original appointments for the unexpired portion of the term (*Id.*). SCCB's functions are set forth in SC Code § 43-25-30.

Pursuant to Article I of the SCCB's By-Laws, the Commission's governing body is known as the "Board." According to Article II, Section A, the Board's purpose is to oversee the agency – specifically, SCCB – to ensure it carries out the statutory purpose of rehabilitating the blind and those who have eye conditions that will lead to blindness. Article V, Section B of SCCB's By-Laws requires that a quorum be present for the Board to conduct business. A quorum exists when four of the seven Board members are present at a scheduled meeting (*Id.*).

**Analysis:** SC Code § 43-25-10 created the Commission for the Blind in 1962. Pursuant to State law, the Commission consists of seven members, of whom three must meet the legal definition of blindness set forth in SC Code § 43-25-20. At the time of the review (August through September 2020), the SCCB Board of Commissioners had only three members, two of whom were legally blind. The Board had four vacancies at the time of the off-site review activity. However, for the period covered by the review (FFY 2017 through FFY 2019), SCCB Board minutes indicate that the Board had four members, three of whom reportedly met the South Carolina Code's definition of blindness at SC Code § 43-25-20, but there was no requirement at SC Code § 43-25-10 that all four be blind. These four members constituted a quorum in accordance with Article V, Section B of SCCB's By-Laws. According to SCCB staff, the Board has not been fully constituted with seven members as required by SC Code § 43-25-10 for at

least a decade. SCCB staff informed RSA that the SCCB Board of Commissioners consisted of only four members during most of that time.

The SCCB's Board of Commissioners, as established by SC Code § 43-25-10, does not satisfy Federal requirements for an independent commission at Section 101(a)(21)(A)(i) of the Rehabilitation Act. Specifically, Section 101(a)(21)(A)(i)(II) of the Rehabilitation Act requires the Commission be consumer-controlled by individuals with disabilities, and with individuals who are blind in the case of a designated State unit (DSU) under the direction of the Commission that is the State agency for individuals who are blind. According to Law Insider's dictionary, "consumer controlled means a method of providing services and supports that allow the individual, or where appropriate, the individual's representative, maximum control...." This general definition is consistent with the definition for "consumer control," as defined in Section 702(3) of the Rehabilitation Act for purposes of centers for independent living (CILs). Specifically, for purposes of the CILs, "consumer control" means that the "center vests power and authority in individuals with disabilities, in terms of the management, staffing, decision-making, operation, and provision of services, of the center." Although the independent commission for the VR program under Title I is separate and distinct from the CILs under Title VII, Chapter 1 of the Rehabilitation Act, the use of that term in both contexts carries a similar congressional intent. As noted above, SC Code § 43-25-10 requires that only three of the seven members of the SCCB Board be individuals who are blind, as defined at SC Code § 43-25-20. This means that blind individuals – the very individuals SCCB is established under Title I of the Rehabilitation Act to serve – are in the minority of the Board, not the majority. Only if blind individuals were in the majority could the SCCB Board of Commissioners be considered "consumer-controlled" as required by Section 101(a)(21)(A)(i)(II) of the Rehabilitation Act. Because the SCCB Board of Commissioners does not satisfy the requirements of Section 101(a)(21)(A)(i)(II) of the Rehabilitation Act, the SCCB is not in compliance with the assurance it made in its approved PY 2020-2023 Combined State Plan that the SCCB is an independent commission that satisfies Federal requirements.

Although SC Code § 43-25-10, as enacted in 1962 was consistent with Federal requirements that existed at that time under Section 5 of the 1954 Amendments to the Vocational Rehabilitation Act (VRA), the VRA was superseded by the Rehabilitation Act in 1973. The 1992 Amendments to the Rehabilitation Act at Section 101(a)(21)(A)(i) required that the independent commission be consumer-controlled; and the 1998 Amendments to the Rehabilitation Act required that an independent commission for the blind be consumer-controlled with individuals who are blind. The requirement has remained unchanged since 1998. Although SC Code § 43-25-10 was amended multiple times over the years, most recently in 2012 and 2018, South Carolina did not revise its Code to align with current Federal requirements that have existed since 1998. Specifically, South Carolina did not amend SC Code § 43-25-10 to ensure that individuals who are blind comprise a majority of SCCB's Board of Commissioners as is required. As such, SCCB is not in compliance with the Federal requirements for an independent commission at Section 101(a)(21)(A)(i) of the Rehabilitation Act and the Assurances in the approved PY 2020-2023 Combined State Plan.

In addition, at the time of the review activity, RSA notes that the SCCB Board of Commissioners consisted of only three members. As such, it lacks the requisite four members to constitute a

quorum for conducting business pursuant to Article V, Section B of SCCB's By-Laws. Section 101(a)(21)(A)(i) of the Rehabilitation Act makes clear that the independent commission is responsible under State law for operating or overseeing the operation of the VR program. Without a quorum, the SCCB Board of Commissioners is unable to carry out its mandated functions of operating or overseeing the operation of the VR program under the Rehabilitation Act, as well as its many other responsibilities set forth in SC Code § 43-25-30. Two of the most significant responsibilities affected by the SCCB Board of Commissioners' inability to satisfy a quorum are: (I) the promulgation of rules and regulations as may be necessary to carry out statutory requirements; and (II) the ability to apply for, receive, and expend monies from State and Federal agencies. As such, the lack of ability to satisfy quorum requirements could have a significant impact on SCCB's ability to administer the VR program, particularly with respect to the receipt and expenditure of Federal VR funds.

**Conclusion:** The South Carolina Commission for the Blind is not in compliance with Section 101(a)(21)(A)(i) of the Rehabilitation Act and 34 C.F.R. § 361.16(a)(1), as well as the assurance in the Combined State Plan identifying the designated State agency as an independent commission. Specifically, SCCB's Board of Commissioners is not consumer-controlled, as is required by Federal law, because only three of its seven required members must satisfy the definition of blindness at SC § 43-25-20. As such, individuals who are blind comprise a minority – not a majority – of the Commission. Furthermore, the SCCB Board of Commission lacked sufficient members, at the time of the review activity, to establish a quorum for conducting business according to the SCCB Board's By-Laws. Therefore, the SCCB Board of Commissioners is unable to carry out its mandated functions, as required by Section 101(a)(21)(A)(i) of the Rehabilitation Act to operate, or oversee the operation of the VR program, as well as the responsibilities required by SC Code § 43-25-30.

**Corrective Actions 2.1** RSA requires that SCCB—

- 2.1.1 Immediately coordinate with the South Carolina Governor's office to seek confirmation by the South Carolina Senate of appropriate pending Governor nominees for SCCB Board of Commissioner vacancies, thereby ensuring that the SCCB Board can continue to conduct its statutorily mandated functions with at least a quorum; and
- 2.1.2 Comply with Section 101(a)(21)(A)(i)(II) of the Rehabilitation Act by ensuring the majority serving on the SCCB Board of Commissioners are individuals who are blind, thereby constituting a consumer-controlled independent commission as required by Federal law.

**VR Agency Response:** Agency agrees with this finding. The SCCB Commissioner has met with the Governor and advised him of the Federal regulation. The SCCB Commissioner has worked with the Governor's office to fill two board vacancies, bringing the membership total to five (5). The new members were confirmed February 4, 2021. One existing member was reconfirmed March 16, 2021, and another is scheduled for reconfirmation May 12, 2021. This means that the board can convene a quorum and conduct business. There are currently two (2) vacant seats on the board; both will be filled as soon as possible with individuals who are blind or legally blind. This will bring the Board in compliance with four (4) members who are blind and three (3) who are not.

**RSA Response:** RSA appreciates the SCCB’s response and the additional efforts that have been implemented since the off-site review was conducted to coordinate with the South Carolina Governor’s office to fully constitute a consumer-controlled independent commission as required by Federal law. It is recommended that SCCB also seek an appropriate amendment to SC Code § 43-25-10 to ensure that State statute reflects the Federal requirements in Section 101(a)(21)(A)(i) of the Rehabilitation Act for the independent commission to be consumer-controlled.

**VR Agency Request for Technical Assistance:** None currently.

## **2.2 Insufficient Internal Controls for Management of the Federal Award, Data Accuracy and Validity, and Supporting Documentation**

**Issue:** Is SCCB maintaining effective internal controls over the Federal award to provide a reasonable assurance that SCCB is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award in accordance with 2 C.F.R. § 200.303. Do SCCB’s internal controls and policies ensure data accuracy and validity, and that case files adhere to the record of service requirements at 34 C.F.R. § 361.47. Specifically, in fulfilling these requirements, do the internal controls ensure that SCCB adheres to the requirements for processing referrals and applications pursuant to 34 C.F.R. § 361.41, eligibility determination in accordance with 34 C.F.R. § 361.42, the development of the IPE pursuant to 34 C.F.R. § 361.45, and the requirements for closing the record of services of an individual who has achieved an employment outcome pursuant to 34 C.F.R. § 361.56.

**Requirements:** Pursuant to 2 C.F.R. § 200.303, VR agencies are required to develop an internal controls process to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of reporting for internal and external use, to be implemented as a measure of checks and balances to ensure proper expenditures of funds, including the evaluation and monitoring of compliance with statutes, regulations and the terms and conditions of Federal awards. Furthermore, a State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program and carry out all functions required by the VR program, including procedures to ensure accurate data collection and financial responsibilities, in accordance with 34 C.F.R. § 361.12.

Specifically, 2 C.F.R. § 200.303 requires a non-Federal entity to—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States and the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;

- Evaluate and monitor the non-Federal entity's compliance with statutes, regulations, and the terms and conditions of Federal awards; and
- Take prompt action when instances of non-compliance are identified, including noncompliance identified in audit findings.

An internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to non-compliance with Federal and State requirements.

Pursuant to 34 C.F.R. § 361.47(a), VR agencies must maintain for each applicant and eligible individual a record of services that includes, to the extent pertinent, documentation including, but not limited to, the individual's application for VR services, the individual's IPE, and information related to closing the service record of an individual who achieves an employment outcome. Furthermore, VR agencies, in consultation with the SRC, if the State has such a Council, must determine the type of documentation that the VR agency must maintain for each applicant and eligible individual in order to meet these requirements in accordance with 34 C.F.R. § 361.47(b).

VR agencies must, in accordance with 34 C.F.R. § 361.41(a), establish and implement standards for the prompt and equitable handling of referrals of individuals for VR services, including referrals of individuals made through the one-stop service delivery systems under Section 121 of WIOA. The standards must include timelines for making good faith efforts to inform these individuals of application requirements and to gather information necessary to initiate an assessment for determining eligibility and priority for services. Further, once an individual has submitted an application for VR services, including applications made through common intake procedures in one-stop centers under Section 121 of WIOA, an eligibility determination must be made within 60 days (34 C.F.R. § 361.41(b)(1)), unless specific circumstances prohibit this in accordance with 34 C.F.R. § 361.41(b)(1)(I) and (ii). In fulfilling these requirements, the VR agency records the date it receives the application for VR services from the individual. Federal regulations in 34 C.F.R. § 361.45 outline the requirements for the development of the IPE and 34 C.F.R. § 361.46 outline the mandatory content of the IPE.

Pursuant to 34 C.F.R. § 361.56, the service records for individuals who have achieved an employment outcome may only be closed if an employment outcome described in the individual's IPE in accordance with 34 C.F.R. § 361.46(a)(1) has been achieved and is consistent with an individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice; the employment outcome is maintained for an appropriate period of time, but not less than 90 days to ensure stability of the employment outcome and the individual no longer needs VR services; the outcome is considered to be satisfactory and agreed to by the qualified rehabilitation counselor employed by the DSU and the individual who must also agree that the individual is performing well in the employment; and the individual has been informed of post-employment services through appropriate modes of communication.

Under 34 C.F.R. § 361.47(a)(15), prior to closing a service record, VR agencies must maintain documentation verifying that the provisions of 34 C.F.R. § 361.56 have been satisfied. More specifically, under 34 C.F.R. § 361.47(a)(9), VR agencies must maintain documentation verifying

that an individual who obtains employment is compensated at or above minimum wage and that the individual's wage and level of benefits are not less than that customarily paid by the employer for the same or similar work performed by individuals without disabilities.

RSA's PD-16-04, issued on September 27, 2016, and revised on June 14, 2017, clarifies that, in accordance with 34 C.F.R. § 361.47, VR agencies must maintain verifying documentation in an individual's case service record, particularly regarding the eligibility determination, development of the IPE, VR services provided, and service record closure. The internal controls developed and implemented by the agency must extend beyond tracking of the data reported through the RSA-911 and must include the necessary supporting documentation in accordance with 34 C.F.R. § 361.47.

**Analysis:** Upon review of SCCB's Policy and Procedure Manual (updated in January 2018), internal control documentation, and discussions with the SCCB management staff, RSA determined that SCCB had neither established nor maintained a comprehensive system of effective internal controls nor sufficient policies and procedures to ensure consistency with applicable Federal requirements in accordance with 2 C.F.R. § 200.303. SCCB had not implemented comprehensive case review policies and procedures implemented at the State or central office level that would inform quality assurance reviews and identify staff training needs. Additionally, during the review, RSA identified the need for the development of or revisions to existing policies and procedures governing the provision of services for individuals with disabilities in accordance with 34 C.F.R. § 361.50. This is addressed in Finding 2.3.

During the review process, SCCB reported that it does not validate the VR services delivered to eligible individuals with disabilities by any updated internal controls mechanisms. SCCB indicated that there is a case service record review process in place but that it is inconsistently applied and lacks a standard set of quality checks and balances. Further, SCCB indicated that its electronic case management system is not being used to provide middle managers and VR counselors with sufficient reports to enable them to review case records consistently or within any standardized parameters. Upon review of SCCB's Policy and Procedure Manual (updated in January 2018), internal control documentation, and during monitoring review meetings with SCCB management, middle management and direct services staffs, RSA determined that SCCB had neither established nor maintained a comprehensive system of effective internal controls nor sufficient policies and procedures to ensure consistency with applicable Federal requirements. Although SCCB communicated that it was in the process of developing written data integrity and validation procedures and processes, the agency was unable to provide written data validation procedures as a part of its internal controls to safeguard data integrity, promote the timely resolution of data anomalies and inaccuracies or to ensure accurate reporting of data collected through the RSA-911.

**Conclusion:** In accordance with 34 C.F.R. § 361.12, SCCB must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. SCCB must develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition, SCCB must monitor and evaluate performance through the agency's internal controls, in

accordance with 2 C.F.R. § 200.303. Based on SCCB's practices for conducting service record reviews and existing procedures, RSA determined that SCCB is not maintaining effective internal controls over the Federal award that would provide a reasonable assurance that SCCB is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award in accordance with 2 C.F.R. § 200.303. RSA determined that SCCB has not implemented effective written policies, procedures or internal controls that ensure the accurate reporting of information for participants who achieved measurable skill gains as required in 34 C.F.R. § 361.40; and ensure case files and supporting documentation adhere to the record of service requirements in 34 C.F.R. § 361.47.

**Corrective Actions 2.2** RSA requires that SCCB—

- 2.2.1 Develop and implement a comprehensive system of effective internal controls and sufficient policies and procedures to ensure consistency with applicable Federal requirements in accordance with 2 C.F.R. § 200.303; and service record requirements and documentation are compliant with 34 C.F.R. §§ 361.47 and 361.56;
- 2.2.2 Develop data validation procedures to ensure the accuracy and validity of the data being collected and reported to RSA in compliance with 34 C.F.R. § 361.40 that include—written procedures for data validation that contain a description of the process for identifying and correcting errors or missing data, which may include electronic data checks; regular data validation training for appropriate program staff (e.g., at least annually); monitoring protocols, consistent with 2 C.F.R. § 200.328, to ensure that program staff are following the written data validation procedures and take appropriate corrective action if those procedures are not being followed; a regular review of program data (e.g., quarterly) for errors, missing data, out-of-range values, and anomalies; documentation that missing and erroneous data identified during the review process have been corrected; and regular assessment of the effectiveness of the data validation process (e.g., at least annually) and revisions to that process as needed;
- 2.2.3 Develop written policies and procedures to ensure the review of determinations made by the designated State unit pursuant to 34 C.F.R. § 361.57;
- 2.2.4 Develop service record review instruments for conducting both State and local level management and peer led service record reviews; and
- 2.2.5 Develop mechanisms to collect and aggregate the results of these reviews and use the results to inform necessary training and evaluation of staff.

**VR Agency Response:** Agency agrees with the finding. SCCB is in the process of revising all VR and QA policies and procedures to align with Federal requirements. Teams meet weekly to address the current policy and make necessary revisions. With a new QA director and assistant now in place, regular and targeted case reviews are being conducted. Findings are discussed with VR staff and follow up reviews are conducted to ensure compliance. The case management system is also being reviewed for potential revisions to improve accuracy and efficiency in data collection. A complete set of training modules is in development to align with policy revisions, including desk reference guides for each section of the case management system.

**RSA Response:** RSA appreciates SCCB's response and the additional efforts that have been initiated since the off-site review was conducted to implement a comprehensive system of effective internal controls, to develop data validation procedures to ensure the accuracy and

validity of the data being collected and reported to RSA, and to develop written policies and procedures. RSA looks forward to working with SCCB to implement the corrective actions to resolve the finding through the corrective action plan.

**VR Agency Request for Technical Assistance:** None currently.

### **Finding 2.3 Non-compliant Written Policies Governing the Provision of Services for Individuals with Disabilities**

**Issue:** Has SCCB developed and maintained written policies as required for the provision of services that align with the Rehabilitation Act of 1973, as amended by Title IV of WIOA.

**Requirement:** In accordance with Section 101(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.50, VR agencies are required to develop and maintain written policies governing the provision of services for individuals with disabilities. Pursuant to 34 C.F.R. § 361.50, the VR agency must develop and maintain written policies that ensure that the provision of services is based on the rehabilitation needs of each individual as identified in that individual's IPE and is consistent with the individual's informed choice in accordance with Sections 101(a)(19), 102(b)(3)(B), and 102(d) of the Rehabilitation Act, and 34 C.F.R. § 361.52.

The written policies may not establish any arbitrary limits on the nature and scope of vocational rehabilitation services to be provided to the individual to achieve an employment outcome. The policies must be developed in accordance with provisions for out-of-state services (34 C.F.R. § 361.50(b)), payment for services (34 C.F.R. § 361.50(c)), duration of services (34 C.F.R. § 361.50(d)), and authorization of services (34 C.F.R. § 361.50©).

Furthermore, VR agencies must comply with the requirements for public comment in accordance with Section 101(a)(16) of the Rehabilitation Act.

**Analysis:** RSA reviewed the SCCB Policy and Procedure Manual, effective January 1, 2018, and identified insufficiencies and areas of non-alignment with requirements in the Rehabilitation Act and the implementing regulations in 34 C.F.R. parts 361 and 363. SCCB management staff and the senior consultant reported that draft revisions were being made to policies and the agency had issued several guidance communications to staff that provided instructions on how to carry out various portions of VR services activities while it continued to work toward finalizing draft policies. SCCB reported that revised policies could not be implemented without the approval of the SCCB Board of Commissioners, which was not possible given its current vacancies and inability to assemble the necessary quorum to vote on the proposed policies. SCCB provided RSA with some draft policy revisions for the provision of pre-employment transition services as well as internal controls and procedures for tracking services; however, these draft policies reflected works in progress and were not fully developed for review and feedback by RSA.

Despite SCCB's current efforts to update and revise its policies to align them with the requirements in the Rehabilitation Act and the implementing regulations, RSA identified several specific instances in the VR agency's policies effective January 1, 2018 (or thereafter), which were either inaccurate or did not align with the requirements in place since the passage of WIOA.



For example, in Chapter 17 (effective date 07/01/2018) in 17.3-O, Supported Employment Funds, SCCB stated “Supported Employment funds may be utilized for services provided to consumers with most significant disabilities for—

1. Person centered career exploration and vocational goal selection prior to IPE;
2. Job development;
3. Job coaching;
4. Assistive Technology required to perform the job;
5. Intensive on-the-job skills training (OJT) and other training needed to achieve and maintain job stability;
6. Medical and/or psychological restoration treatment; and/or
7. Other rehabilitation services written into the IPE.

Notably, many of these services are provided prior to placement in supported employment and thus, cannot be provided using Title VI funds.

Although correctly reflected in Chapter 17, Chapter 5.3-P contains inaccuracies that do not reflect the changes in the requirements for the Supported Employment program. Specifically, the policy states that supported employment services “Are provided by the agency for a period of time not to extend beyond 18 months, unless under special circumstances the eligible individual and the agency jointly agree to extend the time in order to achieve the rehabilitation objectives identified in the Individualized Plan for Employment. Chapter 5.3-O incorrectly adds a note regarding the term “supported employment” stating that it also includes transitional employment for persons who are individuals with the most significant disabilities due to coexisting mental illness. Additionally, in Chapter 17.3-S, SCCB includes “transitional employment” describing it as “a series of temporary job placements in competitive work in integrated settings with ongoing support services. The provision of on-going support services must include continuing sequential job placements until job permanency is achieved.” Transitional employment was removed from the Rehabilitation Act and the implementing regulations by the amendments under WIOA.

In another example, Appendix 17-A specifies that customized employment is for the most significantly disabled individuals, which is inconsistent with 34 C.F.R. § 361.5©(11) and Section 7(7) of the Rehabilitation Act, which defines “customized employment” as “competitive integrated employment, for an individual with a significant disability, that is based on an individualized determination of the strengths, needs, and interests of the individual with a significant disability, is designed to meet the specific abilities of the individual with a significant disability and the business needs of the employer, and is carried out through flexible strategies...” While customized employment is included in the definition of “supported employment” in Section 7(38) of the Rehabilitation Act, it is not solely for individuals with most significant disabilities seeking supported employment outcomes.

SCCB policy in Chapter 5.3 defines an individual who is blind/visually impaired as an individual who is—

1. An individual who has legal blindness defined as having central visual acuity of

- 20/200 in the better eye with best corrective lens or a visual field of 20 degrees or less;  
or  
2. Has a progressive visual impairment that may result in legal blindness.”

This definition is inconsistent with the definitions in Title 43, Chapter 25 of the South Carolina Code of Laws.

In summary, there are multiple examples in SCCB’s policy manual that are inconsistent or do not reflect the changes related to the provision of VR and supported employment services made by the Rehabilitation Act of 1973, as amended by Title IV of WIOA and the implementing regulations. Furthermore, the practices related to authority for the expenditure of funds for services appear to be fluid in nature and do not match the policy as reported by SCCB managers and staff, resulting in ongoing confusion and possible limitations or delays in the provision of needed services and the implementation of informed choice.

Finally, at the time of the review, SCCB did not have written policies or procedures in place specific to the requirements for reporting measurable skill gains and other performance accountability measures, which may have contributed to the insufficient identification and reporting of measurable skill gains. Internal controls have not been developed or implemented to ensure the accurate reporting of measurable skill gains, as well as the maintenance of supporting documentation to substantiate the gains reported.

**Conclusion:** In accordance with Section 101(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.50(a), VR agencies must develop and maintain written policies covering the nature and scope of each VR service and the criteria under which each service is provided as specified in Section 103 of the Rehabilitation Act and 34 C.F.R. § 361.48. RSA determined that SCCB did not have adequate policies in place to ensure that the provision of VR services complied with statutory and regulatory requirements.

**Corrective Actions 2.3** RSA requires that SCCB—

- 2.3.1 Draft and submit to RSA for review written policies related to the provision of VR and supported employment services, including pre-employment transition services, policies that ensure ineligibility determinations are made in accordance with 34 C.F.R. § 361.43 and the provision of trial work experiences pursuant to 34 C.F.R. § 361.42©; and policies specific to the requirements for documenting and reporting measurable skill gains and other performance accountability measures, which comply with statutory and regulatory requirements;
- 2.3.2 As necessary or required, obtain SCCB Board of Commissioners review and approval of all policies and procedures;
- 2.3.3 Provide training to staff on revised and new policies to ensure understanding and consistent implementation of policies; and
- 2.3.4 Implement internal controls and methods to regularly evaluate staff compliance with policies.

**VR Agency Response:** Agency agrees with the finding. SCCB has developed and implemented a policy on Measurable Skill Gains. All counselors have completed this training and now have a

thorough desk reference to assist them in ensuring compliance and accurate data entry. The VR Policy Review Team and Senior Consultant meet weekly to review and revise the VR Policy Manual, with a target completion date of June 30, 2021. Upon completion, it will be submitted to the RSA for review prior to approval by the SCCB Commissioner and Board. Once all revisions and approvals are completed, trainings will be developed and delivered to all VR staff to ensure understanding. There will be follow up reviews by QA to ensure compliance. SCCB staff has implemented procedures to allow additional supports for consumers identified as needing extended support post-employment. Contractors have been identified to assist with additional services. Staff is being provided further training on additional support services.

**RSA Response:** RSA appreciates SCCB's response and the additional efforts that have been implemented since the off-site portion of the review was conducted to draft revised written policies related to the provision of VR and supported employment services. RSA looks forward to working with SCCB to resolve the finding through the corrective action plan and the provision of ongoing technical assistance.

**VR Agency Request for Technical Assistance:** None at this time; we will request when policies are submitted for review if needed.

#### **Finding 2.4 Inaccurate Reporting of Data**

**Issue:** Does SCCB report accurate and valid data to RSA regarding applicants for and eligible individuals receiving services, including students receiving pre-employment transition services under Section 113, in accordance with Sections 13, 14, 101(a)(10) and 113 of the Rehabilitation Act and 34 C.F.R. § 361.40(a).

**Requirement:** In accordance with 34 C.F.R. § 361.40(a), VR agencies are required to submit reports, including reports required under Sections 13, 14, and 101(a)(10) of the Rehabilitation Act in a manner that provides a complete count of the applicants and eligible individuals receiving services, including students receiving pre-employment transition services, and complies with any requirements necessary to ensure the accuracy and verification of those reports. The RSA-911 is used to describe the performance of the VR and Supported Employment programs in the Annual Report to the Congress and the President, as required by Sections 13 and 101(a)(10) of the Rehabilitation Act.

**Analysis:** During the course of this review, SCCB was unable to provide written data validation procedures as a part of its internal controls to safeguard data integrity, promote the timely resolution of data anomalies and inaccuracies or to ensure accurate reporting of data collected through the RSA-911.

Furthermore, RSA was unable to verify the accuracy of multiple data elements reported on the RSA-911. The lack of written data verification procedures also prevented SCCB from identifying that all training, career, and other services, provided in-house or purchased and provided to participants, were being accurately coded in accordance with the RSA-911 instructions. RSA and SCCB discussed a number of errors, missing data, out-of-range values, and anomalies that should have been corrected in order to ensure the validity and reliability of the data reported. For example, in both PY 17 and PY 19, a small number of individuals were

reported as “Disability Too Significant to Benefit from Services” but no trial work experiences were reported. SCCB reported In PY 2017, 748 students with disabilities received a total of 1454 pre-employment transition services. In PY 2018, 115 students with disabilities received a total of 215 pre-employment transition services, and in PY 2019, 64 students with disabilities received a total of 249 pre-employment transition services. SCCB reported that it had served students with disabilities in PY 2017 who were not potentially eligible or eligible for its services because they had disabilities other than legal blindness or a prognosis that may lead to legal blindness within two years. Thus, SCCB provided and reported pre-employment transition services to an unallowable group of students with disabilities.

In addition, performance data highlighted inconsistencies between the amount of training services provided, students reported, and the number of measurable skill gains (MSGs) reported. SCCB communicated difficulty in getting supporting documentation, especially from secondary school students, and a lack of understanding by staff, despite recent training, as the reason for discrepancies and failure to report information on the RSA-911. As a result, SCCB did not submit accurate reports as required by 34 C.F.R. § 361.40. During the period under review, SCCB had not developed or implemented written internal controls nor agency policies and procedures to ensure that the information reported for MSGs was substantiated with supporting documentation in the service record.

As a result of the lack of data validation and internal control processes related to the collecting and reporting of data, SCCB and RSA were unable to substantiate the accuracy of the data reported on the RSA-911, and whether the VR agency met the Federal requirements for reporting.

**Conclusion:** In accordance with 34 C.F.R. § 361.40(a), VR agencies are required to submit reports, including reports required under Sections 13, 14, and 101(a)(10) of the Rehabilitation Act in a manner that provides a complete count of the applicants and eligible individuals receiving services, including students receiving pre-employment transition services, and complies with any requirements necessary to ensure the accuracy and verification of those reports. As a result of the lack of data validation and internal control processes related to the collecting and reporting of data, SCCB and RSA were unable to substantiate the accuracy of the data reported on the RSA-911, and whether the VR agency met the Federal requirements for reporting.

**Corrective Actions 2.4** RSA requires that SCCB—

- 2.4.1 Identify all areas that may not be entered into the case management system or coded correctly by staff and correct coding inaccuracies using an internal inspection of the agency’s data and develop the necessary internal controls processes to insure data validity and accuracy;
- 2.4.2 Develop a training curriculum to address the proper coding of services and entry of these services in the case management system and provide this training to all staff;
- 2.4.3 Apply internal controls that provide for the inspection and evaluation of the accuracy of all data prior to submission to RSA;
- 2.4.4 Following the inspection of the data using the internal controls process, correct any errors or anomalies identified; and

2.4.5 Make the necessary changes to the case management system following the identification of any system or programming errors.

**VR Agency Response:** Agency agrees with the finding. The Finance department, QA, and IT are working together to correct coding inaccuracies within the case management system. Upon completion, a training will be developed and delivered to all staff utilizing the system to input data. SCCB now has two new QA staff to ensure regular reviews and follow up for compliance. The Senior Consultant has also been given the responsibility of reviewing all RSA reports prior to submission to assist in screening for errors and discrepancies.

**RSA Response:** RSA appreciates SCCB's response and the additional efforts that have been initiated since the off-site portion of the review was conducted to improve the integrity of data reported to RSA and looks forward to working with SCCB to resolve the finding through the corrective action plan.

**VR Agency Request for Technical Assistance:** None currently.

## **SECTION 3: FOCUS AREA – FINANCIAL MANAGEMENT OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS**

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### **A. Purpose**

Through this focus area RSA assessed the financial management and fiscal accountability of the VR and Supported Employment programs to ensure that: funds were being used only for intended purposes; there were sound internal controls and reliable reporting systems; available resources were maximized for program needs; and funds supported the achievement of employment outcomes for individuals with disabilities, including those with the most significant disabilities, and the needs of students with disabilities for pre-employment transition services.

### **B. Scope of Financial Management Review**

RSA reviewed SCCB's fiscal performance data from FFYs 2017 through 2019, as well as internal control policies and procedures for the allocation and expenditure of VR program funds.

During the off-site review, SCCB staff described systems the agency used to authorize, account for, and issue payment for VR services; the agency demonstrated the ability of its financial management system to record obligation and payment dates of VR program expenditures and to track those expenditures to specific periods of funding availability by award to ensure assignment of expenditures to the correct FFY.

The agency fully matched its VR grant award in FFYs 2017 through 2019. SCCB reported State appropriations as the source of match for the three years. RSA and SCCB discussed maintenance of effort (MOE) issues in FFYs 2018 and 2019 due to the increased non-Federal share required per net award amount. The agency reported being aware of the MOE implications and anticipates meeting the increased non-Federal share requirement.

In FFY 2017, SCCB reported \$6,972,149 as VR carryover (90.68 percent of the net Federal award); only \$716,574 was expended out of SCCB's total award of \$7,688,723. The carryover amount increased to \$7,127,242 in FFY 2018, while the percentage decreased to 89.64 percent of the net Federal award amount for FFY 2018 (SCCB expended \$824,059 out of \$7,951,301). In FFY 2019, SCCB expended \$333,983 out of \$8,399,791; i.e., the amount of VR carryover further increased to \$8,065,808. The carryover percentage also increased to the highest level for the Federal fiscal years reviewed (96.02 percent of the net Federal award).

During reallocation, the agency relinquished no funds for the years in review and did not request additional funds for FFYs 2017 and 2018. In FFY 2019, it requested \$225,000 in additional funding and was approved for that amount. In FFY 2020, the agency requested additional funds in the amount of \$1,000,000 and was awarded the requested amount.

Not all VR funds were expended in full by the end of the period of performance for each year in review. SCCB had to de-obligate \$988,384 in FFY 2017, and \$31,950 in FFY 2018. However, SCCB did not de-obligate any Federal funds in FFY 2019.

SCCB has experienced a high rate of turnover in the fiscal department in recent years. This has led, in part, to inaccurate, incomplete, and late reporting, and a lack of understanding of Federal regulations governing VR formula grant awards. New staff orientation was complicated by a lack of written processes or procedures for implementing the terms and conditions of the grant award. RSA's off-site discussions with staff often resulted in the agency's inability to provide supporting documentation or detail how past processes were completed or previous projects implemented. As a result, current SCCB staff have begun the process of writing procedures and implementing internal controls. Given the limited human capital resources and a lack of institutional knowledge, the RSA monitoring team has discussed with SCCB staff the need to conduct a comprehensive enterprise risk management analysis to identify the areas of priority.

### **C. Technical Assistance and Recommendations**

In the course of the monitoring activities, RSA provided technical assistance to SCCB as described below.

#### **Prior Approval**

- The Uniform Guidance requirements for prior approval, including the use of streamlined approach per RSA-TAC-18-02 and FAQ, dated October 29, 2019, that provided additional flexibilities.

#### **Match/MOE**

- Tracking and reporting of the match in the year of appropriation; and
- MOE requirements.

#### **Internal Controls and Contract Monitoring**

- Implementation of internal controls to ensure preparation and submission of accurate, complete, and timely SF-425 financial reports;
- Carryover; and
- The development and implementation of written policies and procedures regarding contract monitoring.

Additionally, RSA provided technical assistance on contract provisions for non-Federal entity contracts under Federal awards. The Uniform Guidance at 2 C.F.R. Appendix II to § 200 includes a list of provisions that all contracts made by the non-Federal entity under the Federal award must contain, as applicable. RSA discussed the provisions with the VR agency and suggested that SCCB review the requirements with State procurement and legal staff who are responsible for the contracting process.

### **D. Findings and Corrective Actions**

RSA's review of the SCCB's performance in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

## **Finding 3.1 Missing/Insufficient Internal Controls**

### **Issues:**

- Whether SCCB maintained effective internal control over the Federal award to provide reasonable assurance that it is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award;
- Whether SCCB has sufficient internal controls to ensure prior approval requirements in 2 C.F.R. § 200.407 were met; and
- Whether SCCB met the Federal requirements for procurement processes (2 C.F.R. § 200.317), including internal controls for such processes (2 C.F.R. § 200.302(b)(7)), determining allowability and allocability of costs (2 C.F.R. §§ 200.403 through 200.405), and establishment requirements in 34 C.F.R. §§ 361.5(c)(16) and (17), 361.29, 361.49, and 361.60(b)(3)(i).

**Requirements:** A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's internal controls) must include procedures to ensure accurate data collection and financial accountability (34 C.F.R. § 361.12). "Internal controls" means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations (2 C.F.R. § 200.61).

In addition, the Uniform Guidance at 2 C.F.R. § 200.62(a)(3) defines "internal control over compliance requirements for Federal awards" as a process implemented by a grantee that provides reasonable assurance that, among other things, that transactions are accurately recorded and accounted for to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. In accordance with the Uniform Guidance, 2 C.F.R. § 200.303, among other things, a non-Federal entity must—

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award...;
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.



Additionally, 2 C.F.R. § 200.302(a) requires that a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the—

- Preparation of reports required by general and program specific terms and conditions; and
- Tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Furthermore, provisions at 2 C.F.R. § 200.302(b)(4) require that the financial management system of each non-Federal entity must ensure effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. In its guidance *The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds*, the U.S. Department of Education (Department) made clear to grantees that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting. Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to noncompliance with Federal and State requirements.

### **3.1.1 Insufficient/Missing Internal Controls**

**Insufficient Internal Controls for Determining Reasonableness of Costs:** 34 C.F.R. § 361.50©(1) requires the designated State unit to establish and maintain written policies to govern the rates of payment for all purchased vocational rehabilitation services. While SCCB was able to provide a schedule of fees for some purchased services, SCCB did not identify a rate-setting methodology for the agency to use when determining the reasonable rates for pre-employment transition service contracts or when making changes to provider rates. SCCB must have a rate setting policy that is used to ensure the reasonableness of contract costs.

For example, SCCB entered a CareerBOOST Expansion contract with the National Federation of the Blind of South Carolina for the provision of pre-employment transition services. While the services to be provided under the contract were similar to SCCB's other pre-employment transition service contracts, the cost of the pre-employment transition services provided by the National Federation of the Blind of South Carolina were substantially higher than other providers. When RSA requested documentation regarding how the contract costs were determined to be reasonable, SCCB was unable to provide a justification or supporting documentation as to the reason for the increased cost for this provider.

**Insufficient/Missing Internal Controls:** During the review, including discussions with SCCB management and review of the agency's policy manuals, RSA found that the agency did not have sufficient policies, procedures, and internal controls to ensure compliance with applicable Federal requirements. RSA found that written processes either did not exist or did not include the details necessary to provide a reasonable assurance that the agency is managing the award in compliance with Federal statutes, requirements, and the terms and conditions of the award. While the agency had general policies, there were few written procedures or processes for

implementing the policies. For example, the agency's documentation did not include the benchmark for ensuring compliance, who was responsible for the internal control, how the control would be reviewed periodically to determine whether it was effective, how noncompliance, if identified, would be corrected, etc.

The agency was unable to provide its segregation of duties memorandum that would permit a back-up officer to submit reports in instances where the primary authorized official is not available. The agency acknowledged the need for such documentation and expressed its intention to move forward with developing such policy.

For some of the processes, SCCB was able to describe steps taken to address some of these concerns; however, the processes were not documented. Consequently, SCCB was unable to demonstrate that adequate safeguards and internal controls were documented, implemented, and in compliance with Federal requirements. SCCB indicated it had no processes for updating or creating procedures or internal controls. When considering staff turnover in key positions, the lack of documented internal control processes may result in loss of continuity necessary to identify and correct non-compliance.

### **3.1.2 Prior Approval Requirements Not Met**

The Uniform Guidance at 2 C.F.R. § 200.407, includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 C.F.R. § 200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. part 200 (Federal Register notice 80§ FR 67261). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part: [T]he prior approval requirements listed in the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. 200 subpart E). In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA's listserv on September 23, 2015.

RSA requested the VR agency's written policies, procedures, or processes for ensuring the agency was meeting the prior approval requirements when applicable. SCCB did not have comprehensive policies for prior approval but provided guidance and processes for prior approval for select items of cost. The VR agency did not have prior approval policies or

procedures for all expenditures requiring prior approval as identified in the Uniform Guidance at 2 C.F.R. § 200.407. Additionally, SCCB incorrectly assigned a threshold of \$5,000 for all expenditures, not just equipment, before prior approval is required. To determine whether the lack of internal controls resulted in noncompliance with the prior approval requirements, RSA reviewed agency expenditures and identified instances where the VR agency spent Federal funds on expenditures and obligations that had not received the required prior approval.

During the off-site review, RSA identified expenditures for rearrangement and reconversion (2 C.F.R. § 200.462) that were directly charged to the VR award without prior approval from RSA. Additionally, the VR agency directly charged administrative and clerical staff time to the VR award without prior approval in accordance with 2 C.F.R. § 200.413©. A review of contracts and supporting documentation demonstrated that equipment was purchased by contractors, for VR purposes, with Federal funds that exceeded the State's capitalization threshold of \$5,000, and prior approval was not obtained before the obligation of the funds, in accordance with 2 C.F.R. §§ 200.33 and 200.439.

### **3.1.3 Insufficient Internal Controls for Contract Monitoring**

The Uniform Guidance at 2 C.F.R. § 200.303(c) requires grantees to implement internal controls sufficient to ensure the grantee evaluates and monitors the agency's activities to ensure compliance with Federal requirements. In addition, 2 C.F.R. § 200.328(a) requires SCCB to be responsible for the operation of all grant-supported activities. VR program implementing regulations at 34 C.F.R. § 361.12 require SCCB to employ methods of administration necessary for the proper administration and for carrying out all functions under the State plan. These methods include procedures to ensure accurate data collection and financial accountability. As such, SCCB must monitor and evaluate grant-supported activities to ensure compliance of all activities performed under the VR program. As part of the preparatory monitoring efforts, RSA sent a document request to SCCB for information related to the monitoring topics in the MTAG. For the request related to contract monitoring (Section VI.4.C and D), the agency indicated that it has some processes. The available policies did not provide reasonable assurance that the agency has adequate internal controls. For instance, contract monitoring policy (dated October 2018) referenced an annual internal compliance review that the agency had not implemented. Regarding the annual Assessment of Contract Management System, the policy stated that "an ongoing review will be completed by August 31 of each year to assess and document compliance with the contract monitoring/oversight requirements applicable to RSA-funded formula grant programs." The agency confirmed that, to date, this process has not been implemented. The policy references key positions (such as Controller) that presently are vacant. The agency did not have any current samples of completed monitoring at the time of the review. The agency staff acknowledged the need to develop a more robust contract monitoring protocol, and to conduct contract monitoring in a more structured and formal manner, incorporating programmatic elements along with legal and fiscal requirements.

As stated above in this report, the VR agency did not have written processes for monitoring the terms and conditions of contracts, or agency contract expenditures. During off-site discussions, the VR agency indicated it did not monitor contracts to ensure contractors were in compliance with the terms and conditions of the agreement. Therefore, the VR agency was not monitoring contractors to ensure the contractors were—

- Providing services to only VR consumers;
- Providing the required services;
- Only billing for allowable VR service costs; and
- Maintaining required supporting documentation, etc.

To determine if vendors were providing only allowable VR services to VR clients, RSA requested SCCB provide supporting documentation from a vendor for services rendered in accordance with a vendor invoice. The VR agency was unable to provide the supporting documentation required to verify the expenditures billed were for allowable VR purposes. Therefore, SCCB did not have sufficient internal controls for contract monitoring to accurately account for all Federal and non-Federal funds spent in the VR program as it is required to do by 2 C.F.R. § 200.328.

**Conclusion:** RSA's analysis found that—

- SCCB has not established and maintained written policies and internal controls to govern the rates of payment for all purchased vocational rehabilitation services; therefore, SCCB is not in compliance with 34 C.F.R. §§ 361.50(c)(1) and 361.12. SCCB's internal controls must ensure the agency is able to document that costs paid for the provision of VR service are reasonable;
- SCCB does not have sufficient internal controls to ensure compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407); and
- SCCB did not have sufficient internal controls for contract monitoring to accurately account for all Federal and non-Federal funds spent in the VR program as it is required to do by 2 C.F.R. § 200.328.

**Corrective Actions 3.1** RSA requires that SCCB—

- 3.1.1 Develop, implement and/or update internal control policies to address issues identified in the finding. Internal controls must include a monitoring component to ensure its compliance with the requirements is sustained;
- 3.1.2 In the first quarterly update after approval of the corrective action plan (CAP), develop and implement policies and procedures, as well as a written internal control process, including a monitoring component, to ensure ongoing compliance with the prior approval requirements and the Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, issued by OSERS on October 29, 2019. Once the CAP is developed, RSA will work with the VR agency to determine if updated processes result in meeting Federal requirements and ongoing compliance; and
- 3.1.3 Implement appropriate internal controls to ensure ongoing contract monitoring and submit contract monitoring internal controls to RSA in the first quarterly update after approval of the CAP. Internal controls must be implemented effectively and RSA provided documentation of contract monitoring results and any corrective actions resulting from contract monitoring findings.

**VR Agency Response:** Agency agrees with the finding. SCCB has recently rebuilt the entire finance department and is in the process of hiring a Procurement Manager. The finance team is

in the process of writing policies and procedures that will include internal controls and contract monitoring.

**RSA Response:** RSA appreciates SCCB's additional efforts that have been initiated since the off-site review was conducted to implement a comprehensive system of effective internal controls, develop written policies and procedures, and ensure ongoing contract monitoring. RSA looks forward to working with SCCB to resolve the finding through the corrective action plan and ongoing technical assistance.

**VR Agency Request for Technical Assistance:** SCCB is requesting assistance with the development of internal control policies, including a monitoring component.

### **Finding 3.2 Inaccurate and Untimely Financial Reporting**

#### **Issues:**

- Whether SCCB assigns obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702;
- Whether SCCB established sufficient financial management over the Federal award to provide reasonable assurance that SCCB is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award; and
- Whether SCCB satisfied the non-Federal share requirements of Section 101(a)(3) of the Rehabilitation Act and 34 C.F.R. § 361.60.

**Requirements:** In accordance with the Uniform Guidance at 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds (see also 34 C.F.R. § 361.12).

**Analysis:** RSA's review of SCCB's SF-425 financial reports, for FFYs 2017 through FFY 2019, identified the following issues:

#### **a. Inaccurate Reporting of Non-Federal Share**

- In its fourth quarter report for FFY 2017, the agency reported \$2,719,686 in line 10j (Recipient share of expenditures). However, in its final SF-425 report, the agency reported \$2,716,673 in line 10j, resulting in \$3,013 difference. Nevertheless, the fourth quarter report was not revised. If the agency reported \$2,719,686 in the fourth quarter erroneously, the fourth quarter report must be corrected; and
- In its fourth quarter report for FFY 2018, the agency reported \$2,256,355 in line 10j (Recipient share of expenditures). However, in its final SF-425 report, the agency

reported \$2,253,935 in line 10j, resulting in \$2,420 difference. Nevertheless, the fourth quarter report was not revised. If the agency reported \$2,256,355 in the fourth quarter erroneously, the fourth quarter report must be corrected.

The agency must ensure that it has internal controls in place to accurately track and report all match in the year of appropriation. RSA uses the SF-425 4<sup>th</sup> quarter reports to assess whether the State has met its non-Federal share requirement. Inaccurate reporting of non-Federal share prevents RSA from accurately assessing SCCB's compliance with the matching requirement.

#### **b. Additional Inaccurate Financial Reporting**

RSA reviewed the Federal financial reports (SF-425) and supporting documentation of expenditures reported. The following areas were not appropriately accounted for in the agency's reports:

- In the sixth quarter report for the period ending 03/31/2018 for H126A180061, the agency reported \$4,505,059 in line 10a (Cash Receipts) and \$4,505,059 in line 10b (Cash Disbursements). However, 10e (Federal share of expenditures) reported \$4,193,982. At the same time, line 10f (Federal share of unliquidated obligations) showed \$0. No explanation was provided in line 12 (Remarks) as to why the agency had drawn the difference of \$311,077;
- In the fourth quarter report for the period ending 09/30/2019 for H126A190061, the agency reported \$900,813 in line 11e (Amount Charged) while the respective RSA-2 report (line 1B – Indirect Costs) shows \$900,183, resulting in a \$630 difference. Nevertheless, neither of the two reports were revised. The agency must determine which of the reports is inaccurate and revise the inaccurate report; and
- For every reporting period, the agency has been applying a 25.5 percent indirect cost rate. The indirect cost rate reported in the SF-425 does not match the approved Indirect Cost agreement uploaded on SharePoint site of the ED's Indirect Cost Group. The agency maintains it has a copy of the approved agreement for each year in review to support the rate and is to provide said agreements to RSA to substantiate the indirect charges for each year in review.

The RSA fiscal specialist explained that the issue should have been caught by the Authorized Certifying Official during the verification process before the SF-425 report was signed and submitted to RSA. The agency must correct the errors and strengthen internal controls regarding report preparation and verification.

#### **c. Untimely Reporting**

- The eighth quarter (final) SF-425 report for H126A170061 was submitted six months late; and
- The fourth quarter SF-425 report for H126A180061 was submitted eight months late.

SCCB lacks internal controls that include functional policies/procedures and checks/balances that produce adequate financial management processes to ensure accurate and timely reporting.

**Conclusion:** RSA’s review of SCCB’s financial reporting found inaccuracies, inconsistencies and identified issues with the timeliness of reporting. Therefore, SCCB did not ensure the accuracy and timeliness of reporting. As described above, SCCB cannot assure that it is administering the VR program in a proper and efficient manner and ensuring financial accountability. For these reasons, SCCB has not complied with the VR program provisions and internal control requirements set forth at 34 C.F.R. §§ 361.3(a) and 361.12, and 2 C.F.R. § 200.302(a) and (b)(4).

**Corrective Actions 3.2** RSA requires that SCCB—

- 3.2.1 In the first quarterly update after approval of the corrective action plan, develop and implement policies and procedures to—
  - Accurately collect and timely report fiscal data on Federal financial reports, including the SF-425 and RSA-17; and
- 3.2.2 Revise incorrect SF-425 reports as noted in the finding.

**VR Agency Response:** Agency agrees with finding. SCCB has recently completed rebuilding the entire finance department and now has skilled personnel to collect and report federal financial reports. The Director of Operations will work with the finance team to correct the SF-425 reports as noted in the finding. This team is also developing policies and procedures to ensure financial accountability.

**RSA Response:** RSA appreciates SCCB’s response and the efforts that have been initiated since the off-site review was conducted to improve the accuracy and timeliness of reporting fiscal data to RSA. RSA looks forward to working with SCCB to resolve the finding through the corrective action plan.

**VR Agency Request for Technical Assistance:** None currently.

### **Finding 3.3 Questioned Costs**

**Issue:** Whether SCCB met the Federal requirements for procurement processes (2 C.F.R. § 200.317), including internal controls for such processes (2 C.F.R. § 200.302(b)(7)), and determination of allowability and allocability of costs (2 C.F.R. §§ 200.403 through 200.405).

**Requirements:** Except where otherwise authorized by statute, costs are allowable with Federal program funds only if they are necessary and reasonable for the performance of the Federal award and allocable to that award in accordance with Federal cost principles at 2 C.F.R. §§ 200.403 through 200.405 (2 C.F.R. § 200.403(a)).

**Analysis:** SCCB paid for the provision of pre-employment transition services to students who were not potentially eligible to receive services from SCCB but, were potentially eligible to receive services through the State’s general VR agency. As such SCCB was using its VR funds to provide pre-employment transition services in a manner inconsistent with the VR services portion of its Unified or Combined State plan. While SCCB may request that RSA transfer unused funds from the State’s VR agency serving the blind to the South Carolina Vocational Rehabilitation Department (SCVRD), the general VR agency, so that SCVRD may provide VR

services to its consumers, each VR agency may only use VR funds to serve its respective population in accordance with the approved VR portion of the Unified or Combined State plan.

The pre-employment transition service contracts (CareerBOOST Expansion) contained a fee schedule that listed the pre-employment transition service to be provided and the per unit price that would be paid. RSA inquired as to the reason the contracts paid more for smaller groups than larger groups as this appeared to be a disincentive for providers to serve additional consumers. For example, the contracts included the following costs:

Item Description	Unit Price
Lot 3, Pre-ETS Service 1: SCVRD, Small Groups (5 or less students) -	\$700.00
Lot 3, Pre-ETS Service 1: SCVRD, Large Group (6 or more students) -	\$500.00

Contractors serving five students or fewer would be paid more for a service than if they served six students or more. RSA asked how SCCB ensured that this payment methodology was reasonable and did not result in overpayment of services to groups of individuals receiving pre-employment transition services. SCCB staff informed RSA that this issue was the result of an error in the contract language that resulted in overpayment of some group services. SCCB staff were aware of the issue but were informed that the contracts could not be revised to correct the fee schedule error. To the extent that SCCB overpaid contractors due to a contract error, the excess amount paid would represent questioned VR costs. SCCB has a responsibility to ensure that cost paid are allowable, reasonable, and necessary for the provision of VR services, including pre-employment transition services.

**Conclusion:** SCCB paid for the provision of pre-employment transition services for students that were not potentially eligible in accordance with its VR services portion of the South Carolina Unified State plan. In addition, SCCB failed to address a contract error that resulted in incorrect payments to pre-employment transition service contractors. In both instances, SCCB did not ensure the costs were allowable with Federal program funds in accordance with Federal cost principles at 2 C.F.R. §§ 200.403 through 200.405 (2 C.F.R. § 200.403(a)).

**Corrective Actions 3.3** RSA requires that SCCB—

- 3.3.1 Cease payment of pre-employment transition services for students who are not eligible or potentially eligible for SCCB VR services in accordance with SCCB's approved VR services portion of the South Carolina Unified State plan;
- 3.3.2 Immediately either terminate the existing pre-employment transition service contracts or correct the fee-schedules to ensure the proper payment for services is provided;
- 3.3.3 Develop and implement internal controls necessary to ensure the accuracy of contract language, including fee schedules; and that any contract errors are corrected in a timely manner; and
- 3.3.4 Within 30 days after the approval of the corrective action plan, provide RSA with the amount of overpayments made under the pre-employment transition service contracts due to the contract language error. RSA will advise the agency regarding any further steps upon receipt of the information.



**VR Agency Response:** Agency agrees with the finding. All contracts are being reviewed for accuracy, language, and fee schedules to ensure compliance and consistency.

**RSA Response:** RSA appreciates SCCB's efforts to review all contracts and looks forward to working with SCCB to resolve the finding through the corrective action plan and the provision of ongoing technical assistance.

**VR Agency Request for Technical Assistance:** SCCB is requesting technical assistance regarding Pre-Employment Transition Services, specifically the contracting and payment of services for eligible and potentially eligible students.

## **APPENDIX A: STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS PERFORMANCE TABLES**

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Table 1— SC-B Agency Profile (PYs 2017-2019)

Table 3— SC-B Number and Percentage of Participants Served by Primary Disability Type (PYs 2017-2019)

Table 4— SC-B Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)

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Table 8— SC-B Median Hourly Earnings, Median Hours Worked per Week, Sources of Support, and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PYs 2017-2019)

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Table 11— SC-B Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PYs 2017-2019)

Table 12— SC-B Number and Percentage of Required Pre-Employment Transition Services Provided (PYs 2017-2019)

**Table 1— SC-B VR Agency Profile (PYs 2017-2019)**

<b>VR Agency Profile Data</b>	<b>PY 17 Number/Percentage</b>	<b>PY 18 Number/Percentage</b>	<b>PY 19 Number/Percentage</b>
Employment Rate	53.4%	36.7%	45.1%
Number of Participants Exiting in Competitive Integrated Employment or Supported Employment	71	66	83
Measurable Skill Gains Performance Indicator	5.0%	4.0%	27.5%
Percentage of Participants Eligible for Measurable Skill Gains	23.6%	18.1%	21.6%
Percentage of Timely Eligibility Determinations	84.1%	85.5%	88.5%
Percentage of Eligibility Determination Extensions	7.6%	4.8%	2.2%
Percentage of Timely IPE Development	86.9%	88.8%	90%
Number of Applicants	385	397	335
Number of Individuals Determined Eligible	340	332	276
Number of Individuals with an IPE and No VR Services Provided	7	0	1
Number of Participants (with an IPE and VR Services Provided)	306	321	246

**Table 3— SC-B Number and Percentage of Participants Served by Primary Disability Type (PYs 2017-2019)**

<b>Primary Disability Type by Group</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Visual	903	97.4%	1,093	98.0%	1,158	98.0%
Auditory or Communicative	24	2.6%	23	2.0%	24	2.0%
Physical	-	0.0%	-	0.0%	-	0.0%
Cognitive	-	0.0%	-	0.0%	-	0.0%
Psychological or Psychosocial	-	0.0%	-	0.0%	-	0.0%

<b>Detailed Primary Disability Type</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Blindness	471	50.1%	579	51.9%	591	50.0%
Other Visual Impairments	432	46.7%	514	46.1%	567	48.0%
Deafness, Primary Communication Visual	-	0.0%	-	0.0%	-	0.0%
Deafness, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%
Hearing Loss, Primary Communication Visual	-	0.0%	-	0.0%	-	0.0%
Hearing Loss, Primary Communication Auditory	-	0.0%	-	0.0%	-	0.0%
Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.)	-	0.0%	-	0.0%	-	0.0%
Deaf-Blindness	24	2.6%	23	2.1%	24	2.0%
Communicative Impairments (expressive/receptive)	-	0.0%	-	0.0%	-	0.0%
Mobility Orthopedic/Neurological Impairments	-	0.0%	-	0.0%	-	0.0%
Manipulation/Dexterity Orthopedic/Neurological Impairments	-	0.0%	-	0.0%	-	0.0%
Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments	-	0.0%	-	0.0%	-	0.0%
Other Orthopedic Impairments (e.g., limited range of motion)	-	0.0%	-	0.0%	-	0.0%
Respiratory Impairments	-	0.0%	-	0.0%	-	0.0%
General Physical Debilitation (e.g., fatigue, weakness, pain, etc.)	-	0.0%	-	0.0%	-	0.0%
Other Physical Impairments (not listed above)	-	0.0%	-	0.0%	-	0.0%

<b>Detailed Primary Disability Type</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration)	-	0.0%	-	0.0%	-	0.0%
Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping)	-	0.0%	-	0.0%	-	0.0%
Other Mental Impairments	-	0.0%	-	0.0%	-	0.0%

**Table 4— SC-B Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PYs 2017-2019)**

	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Number of Individuals Who Exited the VR Program	231	280	261

<b>Exit Type</b>	<b>PY 17 Number of Individuals</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Individuals</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Individuals</b>	<b>PY 19 Percent</b>
Individual exited as an applicant, prior to eligibility determination or trial work experience	39	16.9%	47	16.8%	57	21.8%
Individual exited during or after a trial work experience	-	0.0%	-	0.0%	-	0.0%
Individual exited after eligibility, but from an order of selection waiting list	-	0.0%	-	0.0%	-	0.0%
Individual exited after eligibility, but prior to a signed IPE	37	16.0%	26	9.3%	20	7.7%
Individual exited after an IPE without an employment outcome	62	26.8%	115	41.1%	101	38.7%
Individual exited after an IPE in noncompetitive and/or nonintegrated employment	-	0.0%	-	0.0%	-	0.0%
Individual exited after an IPE in competitive and integrated employment or supported employment	71	30.7%	66	23.6%	83	31.8%
Individual exited as an applicant after being determined ineligible for VR services	22	9.5%	26	9.3%	0	0.0%
Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services	-	0.0%	-	0.0%	0	0.0%

<b>Supported Employment</b>	<b>PY 17 Number of Participants</b>	<b>PY 18 Number of Participants</b>	<b>PY 19 Number of Participants</b>
Number of Participants Who Exited with a Supported Employment Outcome in Competitive Integrated Employment	1	1	1
Number of Participants Who Exited with a Supported Employment Outcome in Noncompetitive and/or Nonintegrated Employment	-	-	-

**Table 5— SC-B Number and Percentage of Individuals Exiting by Reason during the VR Process (PYs 2017-2019)**

<b>Reason for Exit</b>	<b>PY 17 Number of Individuals</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Individuals</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Individuals</b>	<b>PY 19 Percent</b>
Individual is No Longer Available for Services Due to Residence in an Institutional Setting Other Than a Prison or Jail	-	0.0%	-	0.0%	-	0.0%
Health/Medical	3	1.3%	10	3.6%	16	6.1%
Death of Individual	1	0.4%	3	1.1%	7	2.7%
Reserve Forces Called to Active Duty	-	0.0%	-	0.0%	-	0.0%
Foster Care	-	0.0%	-	0.0%	-	0.0%
Ineligible after determined eligible	13	5.6%	19	6.8%	30	11.5%
Criminal Offender	-	0.0%	-	0.0%	1	0.4%
No Disabling Condition	8	3.5%	7	2.5%	21	8.0%
No Impediment to Employment	2	0.9%	2	0.7%	1	0.4%
Does Not Require VR Service	14	6.1%	8	2.9%	4	1.5%
Disability Too Significant to Benefit from Service	2	0.9%	-	0.0%	1	0.4%
No Long Term Source of Extended Services Available	-	0.0%	-	0.0%	-	0.0%
Transferred to Another Agency	9	3.9%	13	4.6%	2	0.8%
Achieved Competitive Integrated Employment Outcome	71	30.7%	66	23.6%	83	31.8%
Extended Employment	-	0.0%	-	0.0%	-	0.0%
Extended Services Not Available	-	0.0%	-	0.0%	-	0.0%
Unable to Locate or Contact	59	25.5%	67	23.9%	40	15.3%
No Longer Interested in Receiving Services or Further Services	41	17.7%	72	25.7%	42	16.1%
All Other Reasons	8	3.5%	13	4.6%	13	4.0%
Number of Individuals Who Exited the VR Program	231		280		261	

**Table 6— SC-B VR Services Provided to Participants (PYs 2017-2019)**

	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Total Number of Participants Who Received VR Services	927	1116	1182

<b>Training Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Graduate Degree Training	11	1.2%	8	0.7%	7	0.6%
Bachelor Degree Training	36	3.9%	48	4.3%	46	3.9%
Junior or Community College Training	10	1.1%	9	0.8%	9	0.8%
Occupational or Vocational Training	24	2.6%	15	1.3%	8	0.7%
On-the-Job Training	-	0.0%	2	0.2%	2	0.2%
Apprenticeship Training	-	0.0%	-	0.0%	-	0.0%
Basic Academic Remedial or Literacy Training	-	0.0%	-	0.0%	-	0.0%
Job Readiness Training	-	0.0%	-	0.0%	-	0.0%
Disability Related Skills Training	211	22.8%	199	17.8%	160	13.5%
Miscellaneous Training	6	0.6%	10	0.9%	3	0.3%
Randolph-Sheppard Entrepreneurial Training	-	0.0%	-	0.0%	1	0.1%
Customized Training	-	0.0%	-	0.0%	-	0.0%

<b>Career Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Assessment	68	7.3%	63	5.6%	37	3.1%
Diagnosis and Treatment of Impairment	329	35.5%	377	33.8%	284	24.0%
Vocational Rehabilitation Counseling and Guidance	860	92.8%	1020	91.4%	1075	90.9%
Job Search Assistance	103	11.1%	113	10.1%	74	6.3%
Job Placement Assistance	107	11.5%	118	10.6%	75	6.4%
Short-Term Job Supports	1	0.1%	3	0.3%	-	0.0%
Supported Employment Services	-	0.0%	-	0.0%	-	0.0%
Information and Referral Services	840	90.6%	993	89.0%	1045	88.4%
Benefits Counseling	100	10.8%	62	5.6%	88	7.5%
Customized Employment Services	7	0.8%	9	0.8%	5	0.4%
Extended Services (for youth with the most significant disabilities)	-	0.0%	1	0.1%	-	0.0%



<b>Other Services Provided to Participants</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Transportation	122	13.2%	127	11.4%	110	9.0%
Maintenance	15	1.6%	17	1.5%	9	0.8%
Rehabilitation Technology	267	28.8%	306	27.4%	270	22.8%
Personal Attendant Services	-	0.0%	-	0.0%	-	0.0%
Technical Assistance Services	-	0.0%	-	0.0%	-	0.0%
Reader Services	-	0.0%	-	0.0%	-	0.0%
Interpreter Services	4	0.4%	5	0.4%	3	0.3%
Other Services	66	7.1%	80	7.2%	54	4.6%

**Table 7— SC-B Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gains (PYs 2017-2019)**

<b>Number of Measurable Skill Gains Earned and Number of Participants Earning Measurable Skill Gains</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Measurable Skill Gains Earned	11	8	71
Participants Who Earned a Measurable Skill Gains	11	8	70

<b>Number of Measurable Skill Gains Types</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Educational Functioning Level	2	1	0
Secondary Diploma	1	0	17
Postsecondary Transcript/Report Card	7	5	48
Training Milestone	0	0	0
Skills Progression	1	2	6

**Table 8— SC-B Median Hourly Earnings, Median Hours Worked per Week, Sources of Support and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PYs 2017-2019)**

<b>Median Hourly Earnings and Hours Worked per Week at Exit</b>	<b>PY 17</b>	<b>PY 18</b>	<b>PY 19</b>
Number of Participants Who Exited in Competitive and Integrated Employment or Supported Employment	71	66	83
Median Hourly Earnings at Exit	\$11.00	\$12.10	\$13.00
Median Hours Worked per Week at Exit	40	36.5	40

<b>Primary Source of Support at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Personal Income	69	97.2%	60	90.9%	74	89.2%
Family and Friends	1	1.4%	-	0.0%	-	0.0%
Public Support	1	1.4%	6	9.1%	9	10.8%
Other Sources	-	0.0%	-	0.0%	-	0.0%

<b>Public Support at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Social Security Disability Insurance (SSDI) at Application	9	12.7%	18	27.3%	19	22.9%
Social Security Disability Insurance (SSDI) at Exit	10	14.1%	13	19.7%	21	25.3%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Application	6	8.5%	5	7.6%	8	9.6%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit	8	11.3%	2	3.0%	10	12.0%
Temporary Assistance for Needy Families (TANF) at Exit	-	0.0%	-	0.0%	1	1.2%
General Assistance (State or local government) at Exit	-	0.0%	-	0.0%	-	0.0%
Veterans' Disability Benefits at Exit	-	0.0%	-	0.0%	-	0.0%
Workers' Compensation at Exit	-	0.0%	-	0.0%	-	0.0%
Other Public Support at Exit	1	1.4%	5	7.6%	2	2.4%

<b>Medical Insurance Coverage at Exit</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Percent</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Percent</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Percent</b>
Medicaid at Exit	8	11.3%	3	4.5%	10	12.0%
Medicare at Exit	8	11.3%	11	16.7%	25	30.1%
State or Federal Affordable Care Act Exchange at Exit	1	1.4%	3	4.5%	1	1.2%
Public Insurance from Other Sources at Exit	3	4.2%	-	0.0%	-	0.0%
Private Insurance Through Employer at Exit	19	26.8%	19	28.8%	28	33.7%
Not Yet Eligible for Private Insurance Through Employer at Exit	-	0.0%	1	1.5%	5	6.0%
Private Insurance Through Other Means at Exit	11	15.5%	13	19.7%	11	13.3%

**Table 9— SC-B Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PYs 2017-2019)**

<b>PY 17 SOC Title</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Median Hourly Earnings</b>
Office and Administrative Support Occupations	11	\$11.50
Food Preparation and Serving Related Occupations	8	\$9.75
Business and Financial Operations Occupations	7	\$17.31
Management Occupations	6	\$12.25
Education, Training, and Library Occupations	5	\$21.63
Transportation and Material Moving Occupations	5	\$13.00
Community and Social Services Occupations	5	\$10.29
Building and Grounds Cleaning and Maintenance Occupations	5	\$9.00
Installation, Maintenance, and Repair Occupations	3	\$10.00
Sales and Related Occupations	3	\$9.00
Production Occupations	3	\$8.00
Legal Occupations	2	\$26.83
Arts, Design, Entertainment, Sports, and Media Occupations	2	\$10.43
Randolph-Sheppard vending facility operator	2	\$7.63
Computer and Mathematical Occupations	1	\$22.50
Personal Care and Service Occupations	1	\$12.50
Healthcare Support Occupations	1	\$10.50
Farming, Fishing, and Forestry Occupations	1	\$8.00

<b>PY 18 SOC Title</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Median Hourly Earnings</b>
Office and Administrative Support Occupations	10	\$11.05
Sales and Related Occupations	7	\$12.50
Management Occupations	6	\$21.54
Food Preparation and Serving Related Occupations	6	\$ 9.50
Community and Social Services Occupations	4	\$13.25
Healthcare Support Occupations	4	\$10.91
Building and Grounds Cleaning and Maintenance Occupations	4	\$ 9.33
Personal Care and Service Occupations	4	\$ 8.75
Education, Training, and Library Occupations	3	\$14.34
Production Occupations	3	\$12.04
Randolph-Sheppard vending facility operator	3	\$10.00
Computer and Mathematical Occupations	3	\$ 8.50
Installation, Maintenance, and Repair Occupations	2	\$15.75
Arts, Design, Entertainment, Sports, and Media Occupations	2	\$13.79
Business and Financial Operations Occupations	1	\$47.81
Legal Occupations	1	\$30.60
Constructive and Extraction Occupations	1	\$24.00
Transportation and Material Moving Occupations	1	\$20.12
Protective Service Occupations	1	\$ 9.89

<b>PY 19 SOC Title</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Median Hourly Earnings</b>
Office and Administrative Support Occupations	18	\$13.00
Management Occupations	10	\$14.41
Transportation and Material Moving Occupations	6	\$14.00
Community and Social Services Occupations	6	\$17.54
Randolph-Sheppard vending facility operator	6	\$13.17
Sales and Related Occupations	5	\$11.22
Education, Training, and Library Occupations	4	\$19.73
Installation, Maintenance, and Repair Occupations	4	\$19.18
Production Occupations	4	\$12.45
Building and Grounds Cleaning and Maintenance Occupations	4	\$10.00
Food Preparation and Serving Related Occupations	3	\$8.50
Personal Care and Service Occupations	3	\$9.00
Computer and Mathematical Occupations	2	\$31.37
Legal Occupations	2	\$19.08
Healthcare Practitioners and Technical Occupations	2	\$11.80
Healthcare Support Occupations	2	\$11.02
Business and Financial Operations Occupations	1	\$36.54
Life, Physical, and Social Science Occupations	1	\$17.00

**Table 10— SC-B Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PYs 2017-2019)**

<b>No.</b>	<b>PY 17 SOC Title</b>	<b>PY 17 Number of Participants</b>	<b>PY 17 Median Hourly Earnings</b>
1	Customer Service Representatives	5	\$10.50
2	Business Operations Specialists, All Other	3	\$17.31
3	Heavy and Tractor-Trailer Truck Drivers	3	\$13.00
4	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	3	\$9.00
5	Lawyers	2	\$26.83
6	Teachers and Instructors, All Other	2	\$23.80
7	Construction Managers	2	\$18.44
8	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	2	\$16.85
9	Cooks, Restaurant	2	\$10.50
10	Maids and Housekeeping Cleaners	2	\$9.75

<b>No.</b>	<b>PY 18 SOC Title</b>	<b>PY 18 Number of Participants</b>	<b>PY 18 Median Hourly Earnings</b>
1	Office and Administrative Support Workers, All Other	3	\$12.03
2	General and Operations Managers	2	\$24.04
3	Computer and Information Systems Managers	2	\$21.16
4	First-Line Supervisors of Retail Sales Workers	2	\$15.75
5	Insurance Sales Agents	2	\$13.18
6	Machinists	2	\$12.40
7	Customer Service Representatives	2	\$11.63
8	Cashiers	2	\$11.00
9	Nursing Assistants	2	\$10.91
10	Waiters and Waitresses	2	\$10.75

<b>No.</b>	<b>PY 19 SOC Title</b>	<b>PY 19 Number of Participants</b>	<b>PY 19 Median Hourly Earnings</b>
1	Customer Service Representatives	4	\$13.85
2	Computer and Information Systems Managers	2	\$30.43
3	Shipping, Receiving, and Traffic Clerks	2	\$18.81
4	Sales and Related Workers, All Other	2	\$14.00
5	Laborers and Freight, Stock, and Material Movers, Hand	2	\$13.00
6	Clergy	2	\$12.50
7	Office and Administrative Support Workers, All Other	2	\$11.94
8	Cashiers	2	\$11.61
9	Social and Community Service Managers	2	\$10.93
10	Social and Human Service Assistants	2	\$10.50

**Table 11— SC-B Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PYs 2017-2019)**

<b>Students with Disabilities</b>	<b>PY 17 Number/Percentage of Students</b>	<b>PY 18 Number/Percentage of Students</b>	<b>PY 19 Number/Percentage of Students</b>
Total Students with Disabilities Reported	1,020	1146	1118
Students with Disabilities Reported with 504 Accommodation	0	0	0
Students with Disabilities Reported with IEP	1	1	3
Students with Disabilities Reported without 504 Accommodation or IEP	1,019	1145	1115
Total Students with Disabilities Who Received a Pre-Employment Transition Service	748	115	64
Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	707	65	6
Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service	41	50	58
Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	73.3%	10%	5.7%

**Table 12— SC-B Number and Percentage of Required Pre-Employment Transition Services Provided (PYs 2017-2019)**

<b>Pre-Employment Transition Services</b>	<b>PY 17 Number of Pre-Employment Transition Services Provided</b>	<b>PY 17 Percent of Total Pre-Employment Transition Services Provided</b>	<b>PY 18 Number of Pre-Employment Transition Services Provided</b>	<b>PY 18 Percent of Total Pre-Employment Transition Services Provided</b>	<b>PY 19 Number of Pre-Employment Transition Services Provided</b>	<b>PY 19 Percent of Total Pre-Employment Transition Services Provided</b>
Total Pre-Employment Transition Services Provided	1454		215		249	
Job Exploration Counseling	24	1.7%	4	1.9%	4	1.6%
Work-Based Learning Experiences	87	6.0%	80	37.2%	37	14.9%
Counseling on Enrollment Opportunities	26	1.8%	14	6.5%	28	11.2%
Workplace Readiness Training	585	40.2%	36	16.7%	98	39.4%
Instruction in Self-Advocacy	732	50.3%	81	37.7%	82	33.0%



## APPENDIX B: FISCAL DATA TABLES

**Fiscal Table 1—South Carolina-Blind (SC-B) VR Resources and Expenditures—FFYs 2017–2019\***

<b>VR Resources and Expenditures</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Total program expenditures	\$9,417,012	\$10,173,286	\$3,027,831
Federal expenditures	\$6,700,339	\$7,919,351	\$333,983
State agency expenditures (4 <sup>th</sup> quarter)	\$2,719,686	\$2,256,355	\$2,693,848
State agency expenditures (latest/final)	\$2,716,673	\$2,253,935	\$2,693,848
Federal formula award amount	\$7,688,723	\$7,951,301	\$8,174,791
Reserve amount required for pre-employment transition services (15 percent)	\$1,153,308	\$1,192,695	\$1,259,969
Amount expended on pre-employment transition services	\$1,153,308	\$1,150,812	\$72,130
Percentage expended on pre-employment transition services	15.0%	14.5%	0.9%
MOE penalty from prior year	\$0	\$0	\$0
Federal award amount relinquished during reallocation	\$0	\$0	\$0
Federal award amount received during reallocation	\$0	\$0	\$225,000
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$7,688,723	\$7,951,301	\$8,399,791
Federal award funds deobligated	\$988,384	\$31,950	\$0
Federal award funds used	\$6,700,339	\$7,919,351	\$8,399,791
Percent of formula award amount used	87.1%	99.6%	100%
Federal award funds matched but not used	\$0	\$0	\$0

\* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

**Fiscal Table 1 South Carolina-Blind (SC-B) VR Resources and Expenditures—Descriptions, Sources and Formulas**

<b>VR Resources and Expenditures</b>	<b>Source/Formula</b>
Total program expenditures	The sum of the Federal and non-Federal expenditures. <b>Source/Formula:</b> MTAG Appendix F--Table V.1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. <b>Source/Formula:</b> SF-425 line 10e from latest/final report
State expenditures (4 <sup>th</sup> quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 <sup>th</sup> of the award period. <b>Source/Formula:</b> SF-425 line 10j from 4 <sup>th</sup> quarter report
State expenditures (latest/final)	The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency's latest or final SF-425 report. Final reports do not include unliquidated obligations.

<b>VR Resources and Expenditures</b>	<b>Source/Formula</b>
	<b>Source/Formula:</b> SF-425 line 10j from latest/final report
Federal formula award amount	The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. <b>Formula/Source:</b> Federal formula award calculation
Reserve amount required for pre-employment transition services	The amount of Federal funds required to be reserved and expended (15 percent) for the provision of pre-employment transition services. <b>Formula/Source:</b> (((SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final) divided by .213) multiplied by .787) multiplied by .15) or (4 <sup>th</sup> quarter grant award amount multiplied by .15)) whichever is less
Amount expended on pre-employment transition services	The amount of Federal funds the agency spent on the provision of pre-employment transition services. <b>Formula/Source:</b> SF-425 line 12b from latest/final report
Percentage expended on pre-employment transition services	The percent of Federal funds the agency spent on the provision of pre-employment transition services. <b>Formula/Source:</b> Amount expended on pre-employment transition services divided by (((SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final) divided by .213) multiplied by .787) or (4 <sup>th</sup> quarter grant award amount) whichever is less)
MOE penalty from prior year	The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY. <b>Source/Formula:</b> MTAG Appendix F--Table V.2: MOE difference from prior year
Federal award amount relinquished during reallocation	Amount of Federal award voluntarily relinquished through the reallocation process. <b>Formula/Source:</b> RSA-692
Federal award received during reallocation	Amount of funds received through the reallocation process. <b>Source/Formula:</b> RSA-692
Federal funds transferred from State VR agency	Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). <b>Formula/Source:</b> Agency transfer request documentation
Federal funds transferred to State VR agency	Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). <b>Formula/Source:</b> Agency transfer request documentation
Federal award amount (net)	Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallocation and transfers). <b>Formula/Source:</b> Federal formula award calculation, RSA-692, agency documentation, SF-425: Federal formula calculation minus MOE penalty minus funds relinquished in reallocation plus funds received in reallocation plus funds transferred from agency minus funds transferred to agency
Federal award funds deobligated	Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds. <b>Source/Formula:</b> Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. <b>Source/Formula:</b> Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 <sup>th</sup> quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated
Percent Federal formula award used	Percent of Federal formula award funds used. <b>Source/Formula:</b> Federal award funds used (calculation above) divided by Federal formula award amount
Federal award funds matched but not used	This represents unused Federal award funds for which the agency provided match. <b>Source/Formula:</b> MTAG Appendix F—Table V.2 Federal award funds matched (actual) minus Table V.1 Federal award funds used

**Fiscal Table 2— South Carolina-Blind (SC-B) Non-Federal Share and Maintenance of Effort—FFYs 2017–2019\***

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Match required per net award amount	\$2,080,938	\$2,152,004	\$2,273,387
Match provided (actual)	\$2,716,673	\$2,253,935	\$2,693,848
Match difference**	\$-635,735	\$-101,931	\$420,461
Federal funds matched (actual)	\$7,688,723	\$7,951,301	\$8,298,760
Percent Federal funds matched	100.0%	100.0%	98.8%
MOE required	\$2,009,198	\$2,354,966	\$2,716,693
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$2,716,673	\$2,253,935	\$2,693,848
MOE difference**	\$-707,475	\$101,031	\$ 22,845

\* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

\*\* A positive amount indicates a deficit. A negative amount indicates a surplus.

**Fiscal Table 2 South Carolina (SC-B) Non-Federal Share and Maintenance of Effort—Descriptions, Sources and Formulas**

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>Source/Formula</b>
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. <b>Source/Formula:</b> (MTAG Appendix F—Table V.1 Federal award amount net divided by 0.787) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. <b>Source/Formula:</b> SF-425 line 10j lesser of the 4 <sup>th</sup> quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. <b>Source/Formula:</b> SF-425 lesser of the 4 <sup>th</sup> quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. <b>Source/Formula:</b> (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. <b>Source/Formula:</b> Federal funds matched divided by Federal award amount net
Maintenance of Effort (MOE) required	Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e., Recipient Share of Expenditures. <b>Source/Formula:</b> SF-425 4 <sup>th</sup> quarter or latest/final report: line 10j minus line 12a
MOE: Establishment / construction expenditures	Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. <b>Source/Formula:</b> SF-425 latest/final report: line 12a
MOE actual	Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. <b>Source/Formula:</b> SF-425: Match provided actual minus establishment/construction expenditures.

<b>Non-Federal Share (Match) and Maintenance of Effort (MOE)</b>	<b>Source/Formula</b>
MOE difference**	The difference between MOE required and the actual MOE provided. <b>Source/Formula:</b> MOE required minus MOE actual

\*\* A positive amount indicates a deficit. A negative amount indicates a surplus.

**Fiscal Table 3—South Carolina-Blind (SC-B) Program Income and 4<sup>th</sup> Quarter Data—FFYs 2017–2019\***

<b>Program Income and Carryover</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Program income received	\$0	\$0	\$0
Program income disbursed	\$0	\$0	\$0
Program income transferred	\$0	\$0	\$0
Program income used for VR program	\$0	\$0	\$0
Federal grant amount matched (4 <sup>th</sup> quarter)	\$7,688,723	\$7,951,301	\$8,298,760
Federal expenditures (4 <sup>th</sup> quarter)	\$716,574	\$824,059	\$333,983
Federal unliquidated obligations (4 <sup>th</sup> quarter)	\$ 3,486	\$ 30,477	\$300,825

\* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

**Fiscal Table 3 South Carolina-Blind (SC-B) Program Income and 4<sup>th</sup> Quarter Data—Descriptions, Sources and Formulas**

<b>Program Income and Carryover</b>	<b>Source/Formula</b>
Program income received	Total amount of Federal program income received by the grantee. <b>Source/Formula:</b> SF-425 latest/final line 10l
Program income disbursed	Amount of Federal program income disbursed, including transfers. <b>Source/Formula:</b> SF-425 latest/final: line 10m plus line 10n
Program income transferred	Amount of Federal program income transferred to other allowable programs. <b>Source/Formula:</b> SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h
Program income used for VR program	Amount of Federal program income utilized for the VR program. <b>Source/Formula:</b> SF-425 latest/final: Program income expended minus program income transferred
Federal grant amount matched (4 <sup>th</sup> quarter)	Federal funds an agency is able to draw down based upon on reported non-Federal reported on the 4 <sup>th</sup> quarter SF-425 for the FFY of appropriation, not to exceed net award amount. <b>Source/Formula:</b> MTAG Appendix F—Table V.2 Federal funds matched actual
Federal expenditures (4 <sup>th</sup> quarter)	Federal funds expended as reported on the 4 <sup>th</sup> quarter SF-425 for the FFY of appropriation. This does not include unliquidated obligations. <b>Source/Formula:</b> SF-425 4 <sup>th</sup> quarter: line 10e
Federal unliquidated obligations (4 <sup>th</sup> quarter)	Federal funds obligated but not liquidated as reported on the 4 <sup>th</sup> quarter SF-425 for the FFY of appropriation. <b>Source/Formula:</b> SF-425 4 <sup>th</sup> quarter: line 10f